

“Cambio!”

A study of economic instability in Buenos Aires, Argentina

Master's thesis in social anthropology

Trondheim, June 2015

Dedications:

I want to dedicate this thesis to my grandmother, Elsa, who when I returned from fieldwork was on her deathbed, I am fortunate that the last time I saw her was when I came home, and not on my way to fieldwork.

I also want to thank my mother and father, for teaching me what integrity, values, love and honesty means. Emil Øversveen deserves to be mentioned for our enlightening talks and your feedback on this thesis; we will indeed continue our discussions. I also want to thank Fredrik Dolve for being my friend during the difficulties of writing a thesis during emotional turmoil. I wish you the best of luck with your sociology studies. My classmates deserve gratitude, for allowing me to gain insight into their projects and through discussions allowing me to parttake in their fieldwork, if only from the safety of a seminar-room. And I cannot but mention the fantastically dedicated people from Under Dusken. The volunteering in the student newspaper has lifted my language, given me unlooseable friendships, and made me read in a whole new way. I also want to thank my best childhood friend, Aleksander. Through my language, you show up in small doses throughout the dissertation. The way I formulate myself in writing and talking is shaped and sharpened by our friendship. Amanda deserves gratitude for the backrubs and the patience. Before the list gets too long, I want to thank Thomas Ims for being the stayer at the office. I will remember with pleasure the late evenings we spent engaging in discussions. I hope that your transition into adulthood goes smoothly.

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Y mis amigos, amigas, companeros y companeras en Buenos Aires, gracias por todos, por tus hospitalidad, tus animos y valores.

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Kristoffer Myklebust Svendsen

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Introduction:

In 2010, I had my first encounter with Latin America. I was to study for a semester at the University of Buenos Aires, but for six weeks prior to the studies I decided to backpack through parts of what Gabriel Garcia Marques called "the solitary continent". I acquainted myself with some of its history by reading what I have gotten the impression might be the compulsory curriculum for students traveling to Latin America. Books such as Ernesto Guevarras "The Motorcycle Diaries", Gabriel Garcia Marquez' "One Hundred Years of Solitude" and Eduardo Galeano's "The Open Veins of Latin America" were among the books I read on my spare time during this stay. Stories of Spanish colonialism, British industrial exploitation, and the intellectual influence of the United States in the post war era have all had their share in forming a history where power struggles have raged on the political arena, and violence not uncommonly employed in excercion of dominance. During the five months of living in Buenos Aires I got exposed to the turbulent history of the country through books, lectures and conversations. After a while, I got the impression that the more recent chapters of Argentine history, from the seventies onwards, had a more turbulent character than what I was used to from back home. That is why economic and political instabilities in Argentina was among the topics I wanted to investigate for my masters thesis in anthropology, with Buenos Aires as fieldwork locus. When I was about to leave, in January 2014, news coverage from Argentina portrayed riots and lootings in the suburbs of Buenos Aires due to a police strike. The police wanted higher wages to compensate for the inflation that had resurfaced as a topic of concern for the Argentine population. This demonstrated that economic instabilities were not neccesarly a concern that belonged to the past.

This thesis attempts to describe some of the techniques that are employed to preserve economic value in Argentina, when the peso looses its purchasing power through inflation, and the exchange rate towards the US dollar is weakened by devaluations. A topic related to this is how people get information about the value development of the national currency. Thus, the research question of this thesis is: How is economic value conceptualized and preserved in the volatile economic climate of Argentina?

The text will begin with an historical introduction, although an inverted one, where I will attempt to consecutively trace developments in the economic history of Argentina. The chapter is structured in a way that it begins with the present day, where an anechdote from an

informant, Ramiro Diaz¹, is used to describe the uncertainties that people experienced during the days of the economic crisis that culminated in 2001. Ramiro got his money that he kept in the house stolen, and the value of the money in his bank account was devalued, causing a lack of trust in institutions. The next subchapter attempts to describe some of the reasons for this event by analyzing the political developments of the 90's. This part deals with the trade liberalizations, the reductions of taxes and the currency peg, that led to decreased income for the Argentine state. The following subchapter traces the advent of neoliberalism during the military dictatorship from 1976-1983, and how implementations of policies was rewarded with granting of loans by the IMF. The debt burden on the Argentine government was also increased by a nationalization on private debt during the dictatorship. The increases in the debt burden, when combined with the conditionalities of the 90's, demanding budgetary balance, led to privatizations of public enterprise in this period. This eventually led to a crisis, with a default on foreign debt, a devaluation of the Argentine peso, and increased poverty rates. The recovery after this crisis was marked by increased state spending, which several informants believe is one of the possible reasons for the inflation.

After a methodological part, dealing with the nature of fieldwork and difficulties therein, the following part deals with the acquisition of dollars. These are acquired on the black market, where currency exchangers shout their offers to potential customers. The title of this thesis, "Cambio!", comes from the word that means "exchange". It refers to the exchanges between currencies that are conducted on the black market. In the rest of the chapter I introduce the informants, as they will be reintroduced throughout the text to provide its empirical corpus. Jorge worked at the blackmarket, changing dollars for a living. Gustavo was a young man saving up to buy an apartment, who did not have faith in the banks, and thereby saved his money at home. Sophia was more concerned with crime. The two latter informants represent the threats that Ramiro fell victim to when he lost his money, thereby exemplifying two characteristics of economic life in contemporary Argentina. My next informants further illustrate these tendencies, as Leandro used home redecoration to save value. Nani on the other hand, was more concerned with limitations on withdrawals. This illustrate the tendency that the trust is not reciprocated by the banks. Although these constitute my main informants, the text is supplemented by others that I did not meet that often.

The next part will concern itself with a "vertical axis", extrapolating the elements of institutional distrust expressed by my informants in the former part. This section will

¹ All names are pseudonymes invented by the author to maintain the informants'

primarily be concerned with the struggle to establish legitimacy over the official statistics. A governmental intervention in 2007 caused many people to distrust the numbers coming from governmental sources, and the informants introduced in the former chapter will voice their opinions on this information about the inflation. It turned out that all of them claimed that the government was manipulating the numbers, and that they were incorrect. Manipulation of perceived value is also an element in explaining the phenomenon of "pizza and champagne" during the 90's to show that the numbers designating purchasing power in Argentina is of historical importance. Contemporary manipulations are evident also in the price of the big mac. However, where trust in the official statistics are discredited by my informants, an interview with two employees at the Buenos Aires stock exchange showed that the latter nevertheless used this information in their economic analyses. On the other hand, technology is contesting the legitimacy that the government claims. Conclusively, I will describe that manipulation of prices apparently also occur in the Argentine housing market, and this will function as a bridge into the last part.

The final part will have a temporal dimension, where I will pick up on the subject of saving and transmitting value in the volatile climate I have described. The platform where this is achieved is the home. My informants Sophia and Gustavo will again be voices from the fieldwork, and the latter will further explicate on his strategies of saving money, and his goal of this saving is to purchase a property to build a house. The house is then described as a unit for value preservation, and I will present examples of transmitting this value through inheritance to ones children. I use the strategy of purchasing electrical home supplies on a downpayment plan, which is another way of attaining stability, as a bridge into the last concluding part of the thesis. The World Cup in Brazil coincided with my fieldwork, and as it exemplifies several aspects of what the thesis has tried to convey, I conclude by a describing some of the impressions I got during the tournament, as this was an event too important to be left out of any ethnography from Argentina during this period.

Chapter 1: Historical Setting

We had just finished eating milanesas at a local restaurant in San Cristobal almost arguing about what was the correct way to divide the bill. Ramiro Diaz insisted on treating me with the dinner. I, on the other hand, wanted to split the bill in half. Having previously encountered the same issue with a German girl he said, half jokingly and a bit upset: “Nunca me voy a invitar un europeo para cenar otra vez”². However, the indignation was short lived, and he insisted on accompanying me to my home. I more than welcomed his assistance, as this was a neighbourhood where crime was prone to happen, and as a foreigner, I was a likely victim. On our way to my apartment we passed the ornamented edifices of Banco de la Nacion Argentina on the corner of *San Juan* and *Entre Rios*³. I told him that every time I passed this building, I could almost imagine what it must have been like in 2001, during the *corralito*, an initiative by minister of economy Domingo Cavallo, stipulating a 250 dollars weekly limit on withdrawals from personal accounts (Skarstein, 2009, p. 363), when everybody were standing outside of the bank, beating on the iron curtains wanting to withdraw their money from the bank accounts. He told me this did not happen a lot in this barrio: “you see, in San Cristobal there are more poor people, working class people, *humildes*, y *trabajadores*”, meaning humbles and workers. I chose to quote them in Spanish because of their different meanings in the two languages. “Workers” is arguably a more politically charged word in Argentina, as well as other parts of Latin America, due to the history of the fascist dictatorships and their suppression of Marxist groups who used, and are still using, *trabajadores*, as a term signifying a collectivity of people who supposedly form the basis of their political mobilization. The latter, “humbles” is used by some people in Buenos Aires as a euphemism for poor people, because they think it is a more respectful way of addressing people on the lower rungs on the socioeconomic ladder. He thus implied that these were people without much savings in their account, people who had very little to loose during the crisis. The devaluation that affected the savings accounts were thus a concern of the middle classes, the ones who could afford to save. He then proceeded to explain to me his own experiences. He said that on the day of the *corralito*: “I came home, and my mother told me, ‘Ramiro, some people came and stole our money’”. He had saved 8 000 dollars in the house, half of his money. The other 8 000 were bank deposits. His plan with the money was eventually to buy a

² “I will never invite a European for dinner again.”

³ Two avenues in Buenos Aires.

house. “You could get a house for 100 000 dollars in this period, back when one peso was one dollar.” When he found out that his money had been stolen, he immediately went to the bank to withdraw the other half. “When I came home, somebody had stolen my savings, so I went to the bank to withdraw the money on my account, but when I got there, the bank had taken these as well.” As the banks could not be trusted, I wondered if this had caused him to start saving the money in the house instead: “No, since then I have not saved any money, what I earn I spend on traveling and stuff.”

This is how Ramiro invokes his memories of the crisis in 2001, with the burglary of the savings in his house, and the presumed sacking of his bank account. After the crisis, he lost his motivation for saving money, and he funnels the money he makes in his job into instantaneous consumption, precluding any mentality of planning for the future. His propensity to save had been reduced by the devaluation in 2001. This story indicates a profound distrust both in fellow Argentines, as well as the banks. Institutions whose mandate it is to guard deposits, and securing for people a trajectory where they can plan for the future through faith in that their savings are secure. The story tells us that Ramiro has lost some of his faith in the government and the central bank regarding the “safeguarding [of] the functional value of money through community institutions” (Simmel, 1978[1900], p. 197).

Money thus have a temporal dimension where past accumulations of work and wealth are stored, with a trajectory towards postponed future rewards, where the goal of it all, in Ramiro’s case, was to buy a house. A “looting” of this magnitude thus represents a fundamental disruption in the organisation of life, a removal of his rewards for working, and his prospects for the future. The trust in Argentine banking-institutions is weakened due to economic theories that lended legitimacy to political ideologies pertaining to neoliberalism that in less diplomatic terms could be called neo colonialist. But how did it come to this? David Harvey answers this question, when he asks: “How was neoliberalization accomplished, and by whom? The answer in countries such as Chile and Argentina in the 1970s was as simple as it was swift, brutal and sure: a military coup backed by the traditional upper classes (as well as by the US government)” (Harvey, 2007, p. 39). It is necessary to take a step back in time to explain the background for this calamity; When IMF-orchestrated economic policies led the Argentine economy into a crisis in 2001. We can trace the entry of neoliberal ideology back to the dictatorship between 1976 and 1983.

Often when I asked my informants to “tell me about the economy”, they would normally start along these lines: “Well, we had a crisis in 2001...” The narrative point of

departure for people I interviewed was often the *correo bancario*⁴, and the *corralito*, of 2001, and the memory of economic hardships is still present in the minds of many of my informants. One could almost say that the crisis of 2001 represented a kind of “year zero” for many young Argentines. If I uttered the word *corralito* in a question during an interview, I would often get responses that made people relate their own narratives with this word, as the entry point of these stories in some cases start with a term that can be conveyed quite simply, the *corralito* being one of them. The crisis was an event that a lot of my informants had extensive recollections of, and reducing it into its pivotal elements is perhaps a testament to the claim that “events that can be encoded by single lexical terms would be better remembered than things which require long complex descriptions” (D’Andrade, 1995, p. 185). In this historical introduction I will begin with Carlos Menem’s presidency that started in 1989, to show how neoliberal policies influenced the Argentine economy and eventually led to a bank-run, currency restrictions, a conversion of all dollar accounts into pesos, and subsequently a devaluation reducing the purchasing power of the money held in Argentine bank accounts.

Trade liberalization: 1989 - 2001

To preclude the monetization of the national deficit, which caused hyperinflation during Ricardo Alfonsín’s presidency from 1983 to 1989, the Menem Government pegged the exchange rate of the peso to the dollar in a one to one relationship. It was the monetization of debt that produced the high inflation that ended in hyperinflation. Due to the Convertibility Law during the 1990’s, Carlos Menem’s government could not finance the fiscal deficit with newly created money (Cachanosky N., 2014). This was established within what Paul Cooney calls the “three main elements of neoliberalism”: Financial deregulation, reform of the state, and trade liberalization. The convertibility regime was originally not one of the pillars of “laissez faire orthodoxy”, but it was nevertheless implemented, giving the Argentine people “a sense of stability, which had great psychological appeal [...] after the period of hyperinflation” (Cooney, 2008, p. 17). The convertibility regime also provided security for foreign investors (Harvey, 2007, p. 104). However, the currency peg made Argentine products expensive to export. Meanwhile, imports were cheap during this period. Due to the strong peso, imports exceeded exports, leading to a negative trade balance, and thereby reducing the currency reserves. In addition, the pegged currency made the central bank unable

⁴ A bank run, meaning an event when people view their savings as threatened, and therefore run to the banks to retrieve what is left, before the bank runs out of money.

to regulate consumption, exchange rates and exports through an autonomous interest policy. This period of cheap imports was by some of my informants referred to as the years of “pizza and champagne”, a phrase referred to in local vernacular to designate a period of convertibility-induced conspicuous consumption. What’s more, in order to meet the IMF’s conditionalities⁵ and establish budgetary balance to be deemed worthy of credit, the Menem administration partially or totally privatized, more than 80 public agencies and enterprises between 1990 and 2001. 40% of public assets went to Argentine investors, and the rest were sold abroad. The incomes from these privatizations were somewhere between 23,8 billion (Skarstein, 2009, p. 349), and 31 billion dollars (Cooney, 2008, p. 18), thus excluding the government from benefiting from the future revenues of these companies. Trade-liberalizations also included reducing tariffs⁶. During 1991, the tariff structures were reduced from 22% to 20% for consumer goods, 15% to 10% for inputs⁷, and 5% to 0% for capital. These were measures advocated by the International Monetary Fund (IMF) and General Agreement on Tarrifs and Trade (GATT) (Cooney, 2008, p. 20). Being more exposed to the world market by the dismantling of tariff, with cheap imports and expensive exports due to the convertibility-regime, the imports grew from 8 billion US dollars in 1990, to over 30 billion by 1998, the exports also increased, but only from 12 billion to 23 billion, leading to a negative trade balance which totaled 18,6 billion dollars. (Cooney, 2008, p. 21). From 1992 to 2000, the accumulated deficit in the current account was 84,9 billion dollars (Skarstein, 2009, p. 355). The policies resulted in a negative trade balance, reducing Argentine exchange-reserves, and one way of covering this deficit was by increased indebtedness, and in 2000, Argentine foreign debt had reached 146 billion dollars (Cooney, 2008, p. 27).

Debt increases and privatizations put the Argentine economy in a precarious position. From 1996 to 2000, the dollar strengthened its exchange rate towards European currencies,

⁵ In the 1950s, the IMF started imposing conditions on their terms of credit, called “conditionalities”, and these included: Devaluation, to inhibit imports and stimulating exports, credit restrictions and limiting the supply of money as well as increasing the interest rates to limit supply, capital flight and attracting foreign capital. Lowering the tax progression and reducing company taxation. Privatization measures included privatizing public services. Deregulating prices, also the prices of public goods. A pay freeze to limit the demand of commodities, as well as the inflation. Liberalizing the foreign economy, removing import regulations and a reduction of import taxes (Skarstein, 2009, p. 293-297).

⁶ A law regulating import duties.

⁷ In economics “input” is what is used to produce “output”. The most common inputs are land, labour and capital.

and the peso tagged along as convertibility imposed it to. Argentine exports to Europe were twice as large as those to USA, and in 1998 these exports stagnated while imports kept rising. The deficit in the trade balance quadrupled, from 1,82 billion dollars in 1996, to 7,61 billion in 1998. In 2000, the new president Fernando de la Rúa could not retain deflation and falling GDP, while the quickly escalating interest payments reached a level of 19,9% of total public income in 2001 (Skarstein, 2009, p. 361). In April 2001, reinstated economy minister Domingo Cavallo “modified” the convertibility law. The dollar peg was to be replaced by a basket of equally weighted dollars and euros. The public interpreted this as the beginning of the dismantling of the convertibility regime, a panic ensued among Argentine bank customers as well as foreign creditors, and within a month 5,5 billion dollars were withdrawn from bank accounts. This large amount of dollars is a testament of the gravity of the bank run, or the Spanish *correo bancario*, in 2001. Between December 2000 and the end of July 2002, currency reserves were reduced from 26,9 billion dollars, to less than 9 billion. In the same period, the peso deposits in the banks shrunk by 30%, while dollar deposits were reduced by 10% (Skarstein, 2009, p. 362). To counteract this flight of capital, the central bank implemented the *corralito* on December 1st 2001. What’s more, in this period people traveling abroad could not bring with them more than 1000 dollars in cash. The banks were also prohibited from issuing new loans in pesos. On February 3rd 2002, all deposits were pesified in a 1 US dollar for 1,40 Argentine pesos relationship. The 40.000 million dollars in the system were converted to 56.000 million pesos (Rapoport, 2005, p. 942). All previously dollar denominated deposits were converted into pesos, and thus devalued. The Peso’s purchasing power weakened, and people could buy a lot less with the money in their bank accounts. With this, the government laid the burden of the outcome of their *laissez faire* policies on the people, making their bank accounts relatively smaller denominated in dollars. By the end of June 2002 the peso was worth 3,90 dollars (Skarstein, 2009, p. 364).

These conclusive events were what Ramiro spoke of when he was trying to tell me about the crisis. He avoided all economic technicalities, and labeled the devaluation a “robbery”, as if it was a crime committed by the banks and the government. The devaluation marked the end of the fixed exchange rate of the nineties, and is an event that is a sort of watershed in the modern history of Argentina. As I indicated earlier, the policies that led to the devaluation were advantageous to foreign investors, when one sees the results in terms of companies sold abroad. What was important for Ramiro, was that the accompanying devaluation eventually reduced the values he held in the bank.

A story of debt and neoliberalism: 1976 - 2001

When we are to attempt sketching out a story explaining the Argentine people's distrust in the political class, and the politics resulting in the crisis of 2001, it is necessary to take a step further back in time, more particularly to the military dictatorship from 1976 to 1983. This is necessary to illustrate some of the historical causes of the Argentine state's present problems, as well as the apparently constant lack of trust in the banks, that have been one of the institutions through which the people has felt the effects of economical policies. Still, these problems have older origins than the ones created in the nineties. Paul Cooney implies in his article "Argentina's Quarter Century Experiment With Neoliberalism: From Dictatorship to Depression" (2008) that it was not the Menem administration that introduced Argentina to neoliberal theories. In a 1976-coup, general Jorge Rafael Videla was instated as head of a military junta who assumed control of the nation, and their willingness to align with IMF dictates was rewarded.

"Just one week after the military coup of March 1976, and without having to negotiate or send a delegation, the Argentine junta was able to obtain over US \$100 million from the IMF. In addition to this show of support for a government willing to implement and impose neoliberal policies with an iron hand, the IMF came through with the largest loan ever to a latin american country (US \$260 million), just five months later [...] These neoliberal policies reflected a shift towards a laissez-faire approach, and were strongly associated with economists from the University of Chicago, such as Milton Friedman and Robert Lucas" (Cooney, 2008, p. 11).

The IMF granted loans to the Argentine junta, evidence of the compensation granted the Argentine junta-government for implementing neoliberal politics. This entailed increasingly higher interest payments for the Argentine state, inhibiting the economic and political maneuvering capacities of future generations of politicians, also during the nineties. Another aspect fueling the debt-increase during the military dictatorship, from 9,7 billion USD in 1976, to 45 billion USD in 1983, was excess petrodollars on the world market. On this background, the IMF as well as other international financial institutions urged the Argentine state to take on debt (Cooney, 2008, p. 13). If we employ the theoretical framework outlined by Karl Marx, and continued into its contemporary context by David Harvey, we might understand the connections between surplus petrodollars and loans to the junta if we treat it like 'Capital' in the way Karl Marx outlined it as a "process of circulation, not a thing. It is fundamentally about putting money into circulation to make more money" (Harvey, 2011, p. 6). More concisely, Marx' concept of 'Capital' signifies the processual unity of its production

process and its circulation process⁸. It can be argued that this disposal of surplus capital is an inherent trait in global financial capitalism, as extracted capital needs reinvestment in the production process to produce more capital. In the case of Argentina, the surplus from investments in oil extraction led to a need to reinvest this capital to further extract surpluses. Capital was reinvested through the granting of loans to the Argentine junta. Another element in this institutional entrapment is the nationalization of debt by the already introduced Domingo Cavallo, who served as Chairman of the Central Bank in 1982 (Baldwin, 2015). Cavallo implemented a reform in which 40% of private sector's debt, or close to 6 billion USD was converted to public debt (Cooney, 2008, p. 14). Private debtors thus received an indirect subsidy of more than 5,5 billion US dollars (Rapoport, 2005, p. 675).

With the interest that accrues from these loans, the accumulation process was perpetuated. The junta received loans, which future governments were forced to repay. If one maintains this perspective, extrapolating the mechanisms of debt into the nineties, this debt was charged with interests, furthering the pressures on public budgets. In figure 1.1 we see that the development of public debt in Argentina to foreign creditors (1), increased during the nineties, but the biggest portion was the debt increase to domestic creditors (2). In any case, total public debt (3), grew to 90% of GDP in the decade prior to the crisis (Damill, et al. 2005, p. 45).

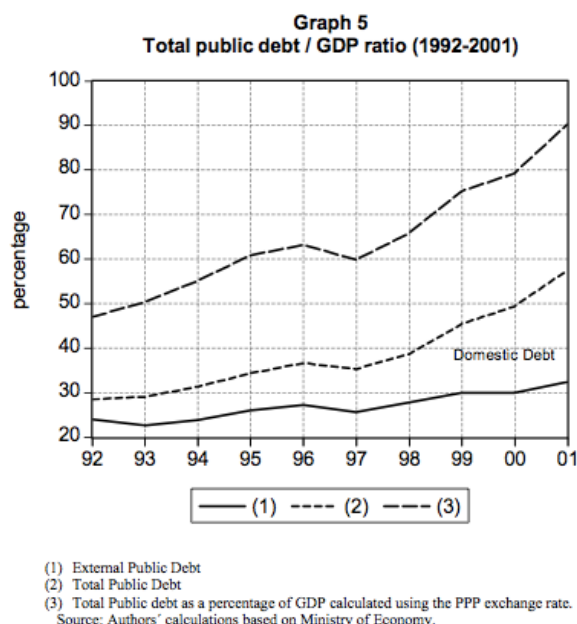


Figure 1.1: Public indebtedness as a percentage of GDP (1992-2001).

⁸ The title of third volume of *Das Kapital*, "The Process of Capitalistic Production as a Whole", compared to the title of the first volume, "The Process of Production of Capital", and to the title of the second volume, "The Process of Circulation of Capital".

We note how the Capital process pressures the budgets, and as interests increase reduces the size of public enterprises in Argentina, as IMF conditionalities demanded budgetary balance in the nineties. It is also important to observe that the ratio between interest payments and tax collection rose sharply during the nineties; the interests were thus taking a bigger and bigger part of the income from the taxes up and until 2001. Depriving the government of means to fund its expenses.

The weight of interests on tax resources, which had slightly increased after 1994, takes a fast upward trend after 1996. In 2000, that ratio was nearly 19%, duplicating the ratio registered in the middle of the decade. This was in part due to the decrease in tax revenues caused by the recession, but it was fundamentally originated in the rise in the average interest rate paid by the public debt. The average interest rate of the total public debt went from 5,8% in 1996 to 9,4% in 2001 (Damill et al. 2005, p. 10).

“The neoliberal experiment” represented for Argentina both privatizations of public property and nationalization of debt. This implied reduced potential of extracting taxes as well as income from public property, but also increased expenses, as private loans became a public economic burden when they were taken over by the government. When the IMF through their conditionalities demanded budgetary balance, and the tool was selling private property, the result was a reduction of the dollar reserves, and a reduction of public shares of property. David Harvey meditates on the relationship between state and capital, and claims that the balance of power between the two is to the disadvantage of the former, because “the state cannot step in to rebalance affairs because it is captive, politically and economically, to the financial, rentier, producer, and commercial interest of the capitalist class” (Harvey, 2011, p. 11). Political decisions from 1976 until 2001 placed the Argentine state in an increasingly difficult position that eventually resulted in a bankruptcy. In December 19-20th of 2001, dissatisfactions towards the government made the people rebel, taking to the streets shouting “Get Rid of Them All!” or the Spanish *Que se Vayan Todos!* (Cooney, 2008, p. 32). The following riots were countered with a state of emergency on the side of the government, with the ensuing police violence taking the lives of 29 people (Skarstein, 2009, p. 364). During fieldwork I was retold stories of the crisis from several perspectives, and my first landlords, Santiago and Constansa, told me that during these riots, people were standing outside of the banks beating on the protective iron curtains with coins, demonstrating the contempt that they had for the banks who had failed to repay the deposits in equal terms to their clients. “People were surrounding the banks, beating on the metal with coins from their pockets. The sound it made was like this: cling, cling, cling!” He demonstrated the high-pitched sound made by this gesture by elevating the tonality of his voice, and holding an imaginary coin between his

fingers to show how people demonstrated their demand for a fair repayment of their deposits.

In the aftermath of the riots, statistics have revealed that discontent had several sources, and many of them were rooted in distress concerning employment and wages. Registered urban unemployment rose to 23,5% in the beginning of 2002, real wages in urban areas sunk with 30% from October 2001, to October 2002, and the real wages were 38% lower than in 1989. In 2002, 57% of the urban population was classified as poor, and 27% as being very poor (Skarstein, 2009, p. 365). The result of neoliberal policies during the 1990's resulted in impoverishment for the average Argentine. But on the other hand, this era also had its benefactors. Another consequence of the unhinging of the dollar peg was that "16 billion in purchasing power had been transferred from savers to the banks and through them to a political-economic elite" (Harvey, 2007, p. 106). The documentation points towards a growing inequality gap, and if we study the GINI coefficient, the World Bank's way of quantifying inequality, this also saw an increase, from 45,28 points in 1987 to 53,79 in 2002 (World Bank, 2014). The epoch in its totality is summed up by Veltmeyer and Petras: "The whole episode 'reeks of a new imperialism: pillage of the economy, growth of vast inequalities, economic stagnation followed by profound and enduring depression and massive impoverishment of the population as a consequence of the greatest concentration of wealth in Argentine history' " (Harvey, 2007, p. 106). Emil Røyrvik dubs this development "radical reverse distribution" (Røyrvik E., 2013, p. 215), and the historical case of Argentina gives ample evidence to legitimate this claim.

Recovery

Where the nineties were characterized by a faith in the market as the primary allocational mechanism of political institutions, the crisis shifted these prioritizations, giving the Argentine State a bigger role to play during the subsequent decade. After the crisis, policy changes were implemented, and in December 2002, the *corralito* was lifted and a debt reduction of 70% was negotiated (Grugel et al. 2007, p. 96). The remaining debt of 9,8 billion US dollars, was finally settled in December 2005, alleviating budgetary constraints, leaving room for increased state spending, and cooperation with the different sectors of society. The *Mesa de Diálogo* was initiated in January 2002. The result of these negotiations were to "recommend three specific areas for urgent action: food supplies, medicines, and the inclusion of income subsidies for the poorest" (ibid.: 96). In May 2003, Nestor Kirchner was elected president "on a clearly anti-neo-liberal programme", and made the state take a "role in stimulating economic growth" (ibid.: 97). Poverty had increased since the crisis, and in 2003,

over half the population, 54.7% was living in poverty, and 27,7% in extreme poverty. This number fell the next two years, and in 2005 the number was 33,8% in poverty, and 12,2 % in extreme poverty (ibid.: 93). During this post-crisis period of government intervention that has gotten the name *neodesarrollismo*, and state led investments resulted in that “GDP was 25% larger by the end of 2007, than its pre-crisis peak in 1998.” Exports during this period grew strongly, allowing foreign exchange reserves to grow (Wylde, 2011, p. 438).

In 2007, Nestor Kirchner’s wife, Cristina Fernández de Kirchner assumed office, and implementations of welfare policies have been important in her two consecutive presidential terms. During the crisis in 2008, pensions were nationalized, and in 2011, 90% of the older population was covered by a pension system (Raimbeau, 2011). In 2012, the Kirchner government launched a child benefit called AUH⁹, granting 230 pesos per child, and it is given to more than 1,8 million households. This, as well as subsidies for transport- and energy companies reduce the bills of the consumers (Natanson, 2014). However, as well as alleviating some of the pressures of short term prices, these expenses pressure public budgets, and since 2004, public spending has increased from 40 billion pesos, to more than a hundred billion pesos in 2014 (Fedec, 2015). As will later be demonstrated, some of my informants claim that this is one of the reasons for the increases of commodity prices: the inflation. This phenomenon is currently one of the problems that Argentines face. This gives rise to a whole range of interpretations and coping mechanisms that form the basis for my investigation. It is suspected that by alleviating some of the short-term economic concerns of its population with subsidies, the government merely replaces this problem with several others, as some of my informants claim that deficits are being funded by printing money and increasing money supply, leading to inflation. Furthermore, since 2007, the statistics monitoring the inflation are suspected of being manipulated and this induces problems of writing a coherent history of the performance of the Kirchner government from this period, as the consumer price index influences a whole range of other statistics. This will be expanded upon later, and it form the basis of a chapter in the text.

As well as struggling with internal instabilities, the Argentine government is in the process of regaining some of the assets that were sold to foreign investors during the liberalizations of Menems administration in the 1990’s. During fieldwork, a story that was frequently covered in the headlines was the renationalization of the Argentine oil company YPF, purchased by the Spanish company Repsol. Cristina Kirchner’s government in April

⁹ *Asignacion Universal por Hijo*: Universal Child Benefit

2012 expropriated 51% of the shares in this company. The initial claim for the company was 10,5 billion US dollars, but a court settlement was reached in February 2014, where Repsol was promised 5 billion US dollars in government bonds for the repurchase (Reed et al. 2014).

Another concern affecting currency reserves is the external debt. I have demonstrated how the debt was granted as a precondition for implementation of neoliberal policies from the dictatorship until the crisis in 2001. This debt was restructured after the crisis, but since then, the Argentine government has been in a legal battle against hedge funds that refused to participate in the debt restructurings. In June 2014, US Supreme Court judge Thomas Griesa ruled that the Argentine state must pay these hedge funds their share of 1,3 billion US dollars (BBC, 2014). In Argentine newspapers, these hedgefunds went under the name of *fondos buitres*, or “vulture funds” in English. These funds are given scavengers names, as if they were feeding on the corpses of dead ideologies. And if we trace the path of this debt through history, into the political and economic epochs where it intertwined, we can agree that the observation contains at least some truth.

The inflation

The heritage of dictatorships and liberalizations also affects the contemporary government and the people living under its jurisdiction. Privatizations and the subsequent expropriations affect the Argentine government’s inventory of currency reserves. Subsidies are given to relieve economic burdens for the poor, but although federal tax collection has increased from 16,5% of GDP in 2002, to 31,8% in 2012, it is suspected that “about one-third of Argentina’s workers are paid under the table” (Mount, 2013). Insufficient tax collection coupled with increased state spending resulted in a deficit in the national budget that was 2,5% of GDP (Fedec, 2015). It is suspected that emitting pesos covers this deficit. This results in a situation where an increase in the supply of money raises commodity prices, disturbing the exchange rate towards foreign currencies. Professor Adrian Prieto¹⁰ at the economics department of Universidad de Buenos Aires, or UBA, claims that there is a correlation between the deficit in the public sector, and the annual inflation in Argentina. By e-mail he sent me a power point presentation, from a lecture he had held at UBA. This presentation contained the graph shown in *figure 1.2: Inflation Tax and fiscal balance*. During our conversation he introduced me to a term called “inflation tax”, which he explains like this: “[...] if you forget ten pesos in your pocket in new years party, and you have the same clothes in next new years party, and you find the hundred pesos, of course, ah the hundred pesos will buy you what seven pesos would

¹⁰ Also a pseudonym.

use to buy you, so you have a three peso loss, that’s the inflation tax.” He confuses ten and hundred in this quote, but what he is trying to explain is this: Inflation tax erodes the purchasing power of the peso. The quote also points to the limited information-processing capacities of humans, when even an economics professor mixes up the denominations when he is trying to explain me how the inflation tax works. The instabilities occupy a lot of space in the minds of people, and trying to make sense of it all is confusing, which this slip-of-tongue illustrates.

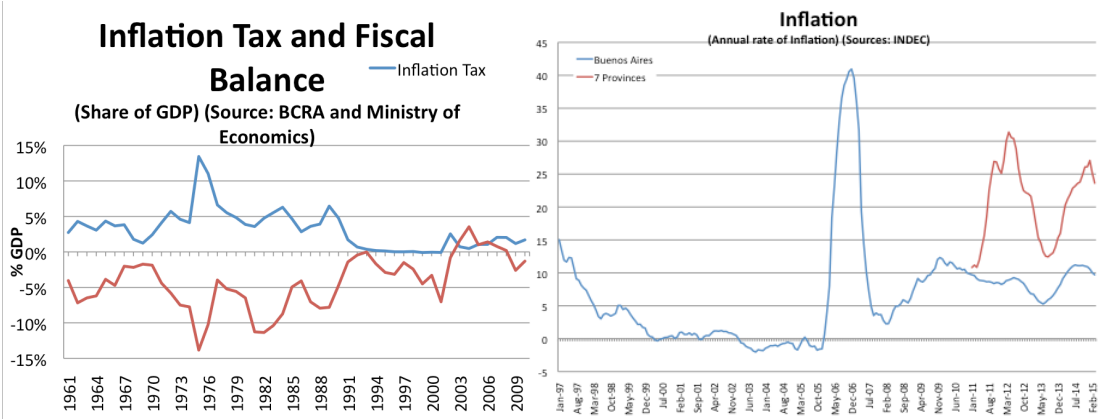


Figure 1.2: Inflation Tax and Fiscal Balance 1961 – 2009, and Inflation 1997 – 2014.

According to figure 1.2. funding of public expenses, in the red graph, is strongly correlated to the “inflation tax”, a correlation that could be interpreted as evidence that public deficits are funded by increasing the money in circulation. However, during the convertibility regime in the nineties, we see that the inflation tax was not influenced by public deficits, as the stability of the purchasing power was dependent on the dollar. After the end of convertibility, there was an increase in prices that was stabilized after a while. And as the Argentine economy recovered, deficits were also reduced. What Prieto does not say directly, but what my other informants suspect, is that the Argentine government funds its expenses by emitting currency, taxing the people by inflating the peso. One of my informants, Connor Houlton, a former investment banker, hailing from England, and living in Buenos Aires, captured in elaborate terms what some of the other interviewees claimed was the reason for the price increases. He put it this way:

I think the most obvious one is likely to be that the central bank literally emits or prints vast amounts of new currency every year. And the reason for that is, as far as I can see, to fund rapidly expanding government spending. So you know, that is slightly unusual in the sense that in most developed countries in the world, there is rampant money printing going on at the moment under the guise of so called quantitative easing, which is also in my opinion a form of funding government for free, and subsidizing government spending, and that, whereas that goes through the [...] banking system, and the

bond market, here in Argentina it seems to be just more a case of handing money straight to the government to spend, which then finds its way into the system, and allows creation of extra credit through the private banking system once it lands back in into that form of deposits.

It is suspected that public expenses such as financing the infrastructure and paying for subsidies for the poor is financed through an increase in the money supply, which in turn creates inflation, that is to say “ever increasing prices of goods and services” (Steigum, 2004, p. 17). Numbers vary, but in 2013 the inflation in Argentina was between 10,9% according to official statistics, and 28,3% as reported by private agencies (La Nacion, 2014).

Memories of a looting

The inflation incentivizes people to withdraw US dollars from their bank, to be able to save their money in a stable kind of currency; this results in a reduction of the central banks dollar reserves. To counter the flight of dollars from the Argentine Central Bank, the government limited the supply of dollars through what is called the *cepo cambiario*, instituted on November 1st 2011. This prohibited the purchase of dollars for most of the population. All but the very wealthiest were unable to purchase dollars officially after it was put into action. In addition, to inhibit purchases outside of Argentina, the use of credit and debit cards in other countries were taxed with 15%, in 2012 this tax increased to 20%, and finally, in december 2013, to 35% (Ylarri, 2013). These restrictions meant that for Argentines wanting to buy dollars, they would have to resort to a black market that proliferated after the implementation of the *cepo*. When the government covers its expenses through emitting peso-bills, in turn creating domestic inflation and moreover reducing the exchange rate towards the dollar, people find other ways of maintaining values over time. It is due noting that the names given to the currency controls are translated into contraptions facilitating entrapment in one form or another. A *corralito* in English is a playpen, the child plays inside of a fence that keeps it from getting out. A *cepo* has several translations, but the one most frequently employed by my informants was livestock-cages, iron fences used to control cattle. Common for both names is that they are means for control, and as playpens and cages are used to control children and animals respectively, their employment in Argentine banks denotes control over domestic and foreign currency.

Professor Adrian Prieto told me that many Argentines keep a watchful eye on the reserves on the central bank. To prepare themselves for another crisis, like the one they saw in 2001, some people try to stay as updated as possible on the dollar reserves in the central bank. When reserves run low, fear arises that the government might confiscate savings, resulting in

a bank run. This surveillance of the dollar reserves is one of the actions that occupies the attention and diverts the cognitive capacities of many citizens. For some people this also leads to increased stress. In addition it serves as a testament to the lack of trust the people feels for its government. The memories of what Pino Solanas called a “looting” in his movie “Memoria del Saqueo” (Solanas, 2004) still reverberate in the statements made by my informants. The devaluation of 2001 was referred to as a “taking”, or “stealing” of their money. This devaluation towards the dollar, however, was perpetuated through my stay during the first half of 2014, and according to the currency web page www.xe.com, the peso kept losing its exchange value to the dollar during 2014¹¹. With the devaluation of deposits in 2001, the continuous devaluation towards the dollar, and the nationwide inflation that keeps corroding the purchasing power of Argentine deposit-holders, the monetary exchange value of bank accounts is an important aspect of life in Argentina. However, not all *Porteños* – the noun that Argentines use to designate people living in the portal city of Buenos Aires – are as updated on the numbers that functions as parametres for economic stability as Prieto presumes, I met quite a few people who did not know what the inflation was, how high it was, and frankly did not care how much money was in the vaults of the central banks.

During my fieldwork, stories from the past would surface from time to time in dinner conversations, and I was often urged to consult Youtube to learn about the situation. My first half of the fieldwork was spent living in an apartment with a couple that was in their mid-thirties, Santiago and Constansa. One afternoon I was sitting by the dinner table, and in my poor way of speaking Spanish I inquired what sources I should consult to learn about the history of Argentina. Santiago then urged me to watch the movie “The Shock Doctrine”, by the journalist Naomi Klein. In this conversation I picked up a slightly familiar phrase from among the chaos of still unresolvable Spanish phrases: “Los Chicago Boys.” He blamed them for Argentina’s economic challenges in the preceding decades. In her movie, Klein tries to explain how the policies implemented by ministers positive to the Chicago School way of teaching economics was a formative force in the economic development of the country. Its most famous representative perhaps, is the Nobel Price-winner Milton Friedman. In the book that forms the basis for the movie, Klein writes about their influence when implementing economic policies in Chile, where Pinochet gave important positions to Chicago-educated economists. Argentina followed shortly after.

¹¹ When my plane landet at Pistarini airport in Buenos Aires January 3rd 2014, the exchange rate of the dollar was 6.55 pesos, and when I left again July 23rd, the rate was 8.17 pesos.

The next country to join this experiment was Argentina in 1976, when a junta took power from president Isabel Peron. This meant that Argentina, Chile, Uruguay and Brasil [...] were all controlled by US-supported military regimes and were living laboratories for the Chicago schools economy (Klein, 2008, p. 97).

The Internet is consulted to learn and get knowledge about the crisis, and its effects. I was also encouraged by one of my other informants to watch the movie “Memorea del Saqueo”, by said movie-maker Pino Solanas, a movie dealing with the situation in Argentina in the period leading up to the pesification and devaluation, and the economic upheaval affecting the lives of Argentines around this period. The citizens of Buenos Aires uses the Internet as a deposit of information they can consult to evoke some of the impressions of what it was like to live during the crises. The Internet has given new possibilities of consulting the past for free. With its vast amounts of data, the information available on Youtube is seemingly endless, and in some ways it can be characterized as a globally accessible multimedial museum or library, where videos concerning past experiences can be consulted. It is an easy way to spread this knowledge to strangers wanting to learn about Argentine history. Past and present oscillates in the stories that people use as a guiding compass for the current situation. In the interpretations of the past we are provided with a narrative to conceptualize the present era. “The present which is the indispensable key to the past can itself be understood only through the past; and the past, which alone can help us to understand the present, is accessible only through the perceptions and sensibilities of the present” (Simmel, 1978[1900], p. 119). These collective narratives form the biography of the “imagined community” of Argentina, a political community that, in Benedict Anderson’s words is “Imagined because the members of even the smallest nation will never know most of their fellow-members, [...] yet in the minds of each lies the image of their communion” (Anderson, 1991, p. 6). Some of these images that gathers the people in communion are the stories surrounding the bank run, the *corralito*, and the riots and difficulties, as well as the political events leading up to the crisis in 2001.

This being said, learning by watching a movie is not the same as “being there” in the precise moments of hardships. As an anthropologist, living in Buenos Aires for 6 months watching movies, doing interviews and taking field notes, this will never “write” history into me, enabling me to first handedly tell stories of the similar gravity as my friend Ramiro. As a concluding remark about economic, historical and anthropological methodology, I will add the following observation: Where statistics does the job of tracking the greater aggregated trends in a society, it still masks individual suffering, and behind the numbers showing

unemployment and poverty one can find histories narrating insecurity only lived properly by being born into the situation. Both as statisticians and as participant observers, as economists and anthropologists, we fall short of telling the whole truth, but a combination of the two might get us closer to the complexity of it all, enabling us to at least a rudimentary attempt to understand the reasons and effects of incidents such as this story Ramiro told me after eating our Milanesas:

I have a friend, and her parents are German, but the family has been living in Buenos Aires all her life. Her father was a chemist and he was working in a factory attached to the clothes industry. When the customs barriers were removed in the 90's, the Argentine factories were outcompeted by the Chinese, and he lost his job, along with the other people in the plant. This was a blow for his self-esteem, a highly educated chemist, who had to work as a carpenter to feed his family. He died of cologne cancer after a while, and after his death, in 1999, her mother went into a depression and still she has not left the house. My friend has to bring her everything she needs, clothes, food, domestic supplies, everything. These are the effects of the economic crises in the financial system.

Chapter 2: Method and earlier research

The fieldwork separates anthropology from other social sciences. This dictum in one form or the other is included in most textbook introductions to the methodology of our academic discipline. Most students of social anthropology have encountered guiding principles to explain us that “ethnographic fieldwork is the hallmark of cultural anthropology” (Spradley, 1980, p. 3), and that “firsthand participation in some initially unfamiliar social world and the production of written accounts of this world is the core of ethnographic research” (Emerson & Shaw, 1995, p. 1). However, the craft of anthropology is practiced by engaging in what reading books precludes you from: spending time with other people, and socially engaging in their everyday activities.

This thesis is based on a fieldwork in Capital Federal, Buenos Aires, the capital, and biggest city of Argentina, where I lived for almost seven months, from January, until the end of July, during the argentine summer, fall and winter of 2014. During the first four months, I lived in the neighbourhood of San Telmo, the area is located close to the centre of Buenos Aires. I shared an apartment with a woman in her early thirties, Constansa Ramos, a Porteña¹² who worked as a preschool teacher, and after a few weeks her boyfriend, Santiago Morales moved in. I lived with the two of them until the end of May, when she entered her last month of pregnancy. I then moved to the neighbourhood of San Cristobal, to rent a room in Paula Maldonado’s apartment, a lady in her fifties who had an office job for the municipality of Buenos Aires. San Cristobal was a lower working class neighbourhood, and more humble than the tourist saturated San Telmo, an interesting contrast that gave perspectives on some of the inequalities that shape the habits of people living in Buenos Aires.

This was a fieldwork conducted in an urban environment, and I acquainted informants at the regular places where people meet in big city neighbourhoods: cafés, bookshops and bars were some of these venues. When I felt I could get enough contact to ask for a phone number, I asked people if they wanted to meet me for a coffee a walk in the park, and in some cases where trust had been earned sufficiently: an interview. My informants lived in different parts of the City: upper class Recoleta and Palermo, middle class San Telmo, working class Constitucion and Abasto as well as my second neighbourhood, San Cristobal. Some of my friends and informants also lived in Gran Buenos Aires, outside the limits of the municipality

¹² The feminine form of *Porteño*, the word used to designate people that are born in Buenos Aires. This noun can designate people from other harbour-areas as well.

of Capital Federal. Due to the geography of big cities, and the topic of my investigation, encounters were dispersed, and isolated, with interviews with one or two people at a time over different parts of Buenos Aires.

I set out to study economic instability; more precisely the challenges connected to the inflation that Argentina faced in the spring of 2014. This was a topic that after a while led me into investigating how the informants maintain their savings if the peso fails to fulfill its function as a storage unit of value. During fieldwork I also discovered that there were a variety of subjects connected to the instabilities of the peso, such as the black market for currency, the consumption patterns, and whether people trust the inflation statistics. The subject expanded and deepened the further along I went.

There was extensive trading of black market currencies that were bought and sold quite openly in *Calle Florida*, the main shopping street in Microcentro, which is the name designating downtown Buenos Aires. I participated in the currency exchange by travelling to Colonia in Uruguay, and withdrawing US dollars. I brought them with me across the border, and changed them on the black market. The majority of the verbal data was retrieved through interviews. I met my informants privately, in apartments, fast-food restaurants, cafés, supermarkets, taxis and illegal exchange houses. I recorded these interviews with my cellphone, and transcribed the interviews when I found available time. I found that this was a better way of gaining trust and getting information, since the topics of my study was something that few Argentines were willing to discuss in public. These were topics concerning money, how the informants spent this money, as well as how they saved them.

Positioning and situating myself in the field

Buenos Aires is a city where crime is an issue that forms the habits of its inhabitants. My own way of life was also influenced by crime, as I mainly stayed indoors after nightfall. In addition to the miniscule size of my social network, this made me spend a lot of time at home in the beginning. After a while, however, I got enough acquaintances to make plans several days of the week. I went to house visits, and made plans to meet informants in bars, and before long, I also got invited to birthday parties, and other celebrations. Towards the end, I also got to see World Cup matches with different people whom I had gotten to know during fieldwork. Considering that most of my informants were the same age as myself, in their mid-to late twenties, I considered myself to be, if not their friend, then at least an acquaintance. Although I did not interview my landlords, we had several informal conversations on what they thought about the economy and politics. I wrote down these conversations in a notebook

or a computer when I had the possibility. I also found that the interviews were more open and informative when I conducted informal interview sessions with people I had spent a lot of time getting to know. It was easier for them to open up to a friend than a semi-stranger. I might also add that although distribution of knowledge is another topic of anthropological relevance, I did not interview people who were less knowledgeable about the phenomena I was studying, as I did not get to know them very well. They were in the periphery of my central group of informants, and are therefore excluded from the text.

Limitations

A limitation concerning my study of money, is that I received a fixed sum per month from Norway in kroner, which I retrieved legally in the ATMs, and if I had dollars, illegally on the black market for a much higher rate than the official exchange rate. I did not receive a wage in pesos from an Argentine company, NGO, or public institution. The loss of purchasing power that Argentines feel when their wages is being eroded by the inflation, did not concern me to the same extent as the locals, as the rising prices were being compensated by a strengthening of the exchange rate of the krone. In this aspect I remained an observer standing outside my object of study. The inflation affected me in a different way than the humans facing losses in real wages. However, sometimes complete participation is not possible, as “ethnographers frequently encounter situations that hold little opportunity for participation; they must then depend on observation alone, and ethnographic interviews” (Spradley, 1980, p. 51). And this is, to a large extent, what I have done during my stay in Argentina.

One of the challenges I experienced was that interviews and conversations in Spanish took a very long time to transcribe, as my comprehension of the language was very limited. Upon arrival in Buenos Aires, I was almost walking straight out of the library, and in my mental luggage I was still carrying with me the books in methodology we had read the semester prior. During fieldwork I employed James P. Spradley’s “verbatim principle” as a *leitmotif*. Spradley writes that “the anthropologist must *make a verbatim record of what people say*”, not paying as much attention to his moderation that “this obvious principle of getting things down word-for-word is frequently violated” (Spradley, 1980, p. 67). I therefore made sure to bring the tape-recorder with me at all times, to record every interview I conducted. It turned out that one and a half hour of Spanish conversation took four to five days to transcribe, which on the one hand quickly improved my language skills, but on the other gave me less time to engage in prolonged interactions with informants. In other words, when I was not building rapport or conducting interviews, I spent a lot of time at the university

library and cafés in the neighbourhood, listening to interviews and turning them into writing. It might be objected that this gives a distorted image, as Charles L. Briggs notes that the interview is a communicative situation that has originated in the researcher's own environment, and is the "communicative device their speech community views as the best means of obtaining large bodies of information in the least amount of time" (Briggs, 1986, p. 39). On the other hand, an ethnography that is not recorded in one way or another is just culture as it exists "in the trading post, the hill fort, or the sheep run," (Geertz, 1993, p. 16) or in my case, in conversations on street corners, in economic transactions on cafés, dollar trading in illegal exchange offices, or from the indignant taxi drivers cursing the corrupt politicians. It is important to balance interaction with writing to maintain anthropology's existence in the sense that it in Clifford Geertz' words "exists in the book" (ibid.). I thereby retrieved verbatim statements on my tape recorder at the expense of findings that might have been different, even better or more interesting had I conducted a fieldwork characterized by more informal interaction. In this context it is again important to emphasize knowledge of the Spanish language as a key to building trust and developing relations to informants. When I landed in Argentina I hardly spoke a word of Spanish, but after six weeks of intensive classes, which was supplemented with practicing with my cohabitants, superseded by the following months of conversations with a continuously expanding social network, as well as reading newspapers and books, my linguistic competence was sufficiently elevated to allow me to informally mingle with my informants. However, a returning fever limited my ability to engage socially towards the end. Participant observation when my language was at its best got inhibited, as I had to stay in bed for what totalled almost a month.

Learning a new language is one of the perks of doing fieldwork, and staying in another country for a long time gives one the possibility of practicing extensively, but the information I had the capacity of retrieving was mostly limited to English speakers, which means that my supply of information is restricted mainly to the middle class. This changed a little towards the end, but the information I got from monolingual, Spanish-speakers would probably be more extensive if I had spoken the language fluently.

Writing

The approach to writing this thesis has been to try to formulate a synthesis of macroeconomic quantities involving numerical data, and my informants' responses to this quantitative information, necessitating a qualitative approach with interview data to supplement the numbers. In this thesis it is the fieldwork that drives the writing, the empirical material is what

pushes the text, and theoretical aspects, are often used as a closure, or supplement to what my fieldwork material has provided.

The structure of this thesis could be seen as engaging in a dialectical relationship between the world as quantified through money and statistics, and the world as spoken and experienced. In certain parts of the text, I try to bring the reader into the situation where this is required, to establish a sense of "being there", a "thick description" (Geertz, 1993) describing the scene where some of the action happens, and thereby removing the analytical distance that academic reflection requires. This approach has been criticized because of its blurring of academic and literary genres, and it might be objected that this is indeed inventions of cultures instead of representations (Clifford, 1986, p. 2). To this I can only say that as a student I am merely learning the trade, trying out different styles as I go along, and as of yet I have not fully situated myself within a tradition of ethnographic representation.

Earlier research

The research on economic anthropology and sociology is vast. This means that reading and writing a review of the literature will be limited by the proportionately short time period of two years that is available for a masters degree in anthropology. For the writing of this thesis, I have tried to familiarize myself with the work "The Philosophy of Money", by Georg Simmel (1978[1900]). However, a comprehensive theoretical review of a work of this scope would be too space consuming. I have therefore chosen to include parts of his treatise where it seems appropriate to support my arguments. Moreover, as the book is quite aged, some of its insights seem outdated, and not all of them was relevant for my writing. To shed lights on some of the aspects of economical conceptualizations, I have also borrowed theoretical approaches from cognitive anthropology (D'Andrade, 1995). I feel that these approaches supplemented each other, as Simmel also wrote about the cognitive and calculating properties of money.

In the past years I have also become an avid reader of David Harvey's works. For this thesis, his treatment of cultural change (1990), the historical work on neoliberalism (2007), and the structural imbalances within capitalist societies (2011), have been used to illuminate and contextualize some aspects of the empirical material. Developments in multinational corporations and global capitalism have been elaborated by Emil Røyrvik (2013), and the historical importance of debt as a political tool have been historically analyzed by David Graeber (2011). Along with my empirical material, these have shaped the outline of this text, how it was conceived and conceptualized.

Although the said literature is theoretically related to my topic of interest, the geographic locality of my fieldwork also needed literature on the economic history of Argentina. In this respect Rune Skarstein (2009) have provided some material. In Spanish, works on the economy of Argentina is also provided by Rapoport (2005) and Zaiat (2012). In this respect I must add that knowledge of the Spanish language precluded me from penetrating too far into their works. Moreover, the language barrier has also limited my access to Spanish anthropological literature on the topics I am dealing with.

Inflations are a topic that is not of typical academic interest for anthropologists. A treatment of the subject has been touched upon only briefly in the literature. Viviana Dominguez (1990) study of the Israeli inflation in 1984 depicted the proliferation of illegal money changers to stabilize the situation, as well as increasing tendencies of denoting apartment prices in US dollars. This was also the case in Argentina in 2014. However, my text diverges from Dominguez', as her question deals with the currency and nationalism. My topic of interest is the relationship of trust between the state, the banks and the informants.

A part of this text is dedicated to explaining how people conceptualize the financial situation through statistics. Statistics have had a debated and ambivalent role in anthropology, as the scientific tradition is rooted in participant observation. Epistemologically, statistics are not regarded as the primary source of data, and other fields such as economics and sociology use it more thoroughly (Driver, 1953; Chibnik, 1985). However, it is not statistics as a data source I want to discuss here, my interest is rather its public perceptions. Santos (2009) claimed that this is a topic that has received little attention, and called for a mobilization of academic interest of this topic. Elements from this text are a contributions to his appeal. Calls to describe the social construction of economic theories and their public dissemination (Neiburg, 2006) is another promising point of entry that is related to public perceptions of statistics. I maintain that as anthropologists, we preoccupy ourselves with a wide range of social phenomena, and increasingly, in global economic landscapes, numbers play an increasingly important role. My informants' trust in the government is related to confidence in statistics and this will be illuminated later on.

Chapter 3: Dolar Oficial, Dolar Blue

“Cambio”

The shopping street of Calle Florida is situated four blocks from the presidential palace *La Casa Rosada*. A hectic stretch of concrete, at mid-day crowded with people and surrounded by tall office buildings whose first floors serve as fashion boutiques, cellphone outlets, domestic electric supply- or souvenir stores. From among the swarm of people one hears the scattered callings from the only people standing still in this busy street. Powerful voices resonate between the towers of glass and metal flanking Florida on either side: “cambio, cambio”, “dollar exchange”, “dolares, reales, pesos, money change.” With this rather simple marketing technique, employing nothing but their own voice, the *arbolitos* of Calle Florida signal that they facilitate currency exchanges in *cuevas*, or caves in English, also known as *casas de cambios*, black market exchange houses for people who want to buy and sell currency.



Picture 3.1: Calle Florida in the afternoon (picture taken by the author).

Picture 3.1 depicts Calle Florida at one of its most hectic hours. The man with the cap in the shadow to the left is an *arbolito*, and the newspaper stand on the right is the cave he is connected to. A handful of *arbolitos* are connected to each cave, and in the one depicted above, the cashier stood in a small room hidden behind the wall that displays newspapers to

the passersby. In the backroom of this *cueva* is where the transactions take place. People buying dollars are mainly Argentines, or people working in Argentina with a salary being paid in *pesos Argentinos*, looking to convert their pesos into something with a more stable value, as the inflation is eroding the purchasing power of the national currency. Anyone who has to get their hands on dollars, can sell their pesos in Calle Florida, although the prices are much higher on the street than what the official rate implies. According to Georg Simmel, the question of what value is, is unanswerable (Simmel, 1978[1900], p. 64), but that “the value of an object becomes objectified by exchanging it for another object” (ibid.: 83). In the exchange procedures that take place in Calle Florida, the value of pesos find its objectified expression in dollars. Karl Marx noted another attribute of money: “The commodities thus tell by their money names what they are worth, and money serves as money of account (“Rechengeld”) whenever a article is fixated as value an thus in form of money.” (Marx, 1975[1867]) In this respect, the value of the peso is quantified, or fixated, in the exchange towards the dollar. Its measure of worth in this case is the amount of dollars it can acquire. In one of the more condensed passages in his book “The Philosophy of money”, Simmel states that:

The services of money determine its 'use value', which must find expression in its 'exchange value'; money is one of those objects whose 'utility value', which depends upon the government monopoly of coinage, includes its 'scarcity value', which this monopoly establishes. Money has value not on account of what it is, but on account of the ends that it serves (Simmel, 1978[1900], p. 216).

Simmel states that the use value of money is expressed through its exchange value, and the way the inflation erodes this exchange value in Argentina, also reduces some of the use value that is inherent in the peso. Setting prices to determine some of the aspects of its use value thus becomes a demanding task, as the exchange value of money is constantly changing. Moreover, it is also stated that the government monopoly of coinage is meant to establish the utility value of the currency, and the increase of the money supply in Argentina erodes this utility, as purchasing power diminishes. Simmel writes about utility that: “If economic values are regarded as being determined by supply and demand, supply would correspond with scarcity, and demand with utility” (Simmel, 1978[1900], p. 215). The price of the *dolar blue* is determined by the supply, or scarcity, a size that is represented by the amount of dollars flowing into the *cuevas*, and the demand of this black market currency corresponds with the subjectively felt usefulness of acquiring *dolar blue*.

In the case of Argentina the governmental monopoly of coinage does not guarantee for the scarcity of the money, as many informants believe that money creation funds government spending. This reduces its utility in many ways, as it fails to maintain a stable exchange value,

as well as being a means of acquiring commodities. The reduction of uncertainty that a stable currency provides by its measuring function is one of these things “which acting man aims at because it is desirable in his eyes” (Mises, 2010, p. 21). Ludwig von Mises narrows the scope when he states that:

Utility means in this context simply: Causal relevance for the removal of felt uneasiness. Acting man believes that the services a thing can render are apt to improve his own wellbeing and calls this the utility of the thing concerned. For praxeology the term utility is tantamount to importance attached to a thing on the account of the belief that it can remove uneasiness (Mises, 2010, p. 120).

As the exchange value of the peso is falling, this affects the utility of money as gradually, the purchasing power of the peso diminishes, and with this its possibilities of buying food, paying for electricity bills or going on holidays, etc. In addition, the utility granted by the emotional stability of saving money for the future is also virtually non-existent in the peso. Dollars need to be acquired to achieve this, as it gives people a currency where exchange value over time potentially could be more stable, enabling the purchase of things also in the future.

Regarding the principle of use value, a further distinction needs to be made. “The use value of the money commodity becomes two fold. Besides its special use value as a commodity, e.g. as gold serves as dental material, as raw material for luxury articles etc., it acquires a formal use value which originates from its particular societal functions.” (Marx, 1975[1867], p. 104). As pesos and dollars are no longer subjected to a gold standard – Argentina abandoned the gold standard in 1929 (Veigel, 2005, p. 3), and USA in 1971 (Graeber, 2011, p. 361) – their use value as commodities are therefore miniscule. What is of interest here is the formal use value of the peso as compared to the dollar when performing its certain *societal functions*. These functions emerge in the exchange relation when money is used to purchase products and services. However, what is also attained when exchanging pesos for dollars on the black market – by paying what seems to be an ever-increasing premium as the gap between the official and unofficial exchange rate has increased – is stability of exchange value over time. The black market provides what the national currency fails to offer: the value preserving properties of money. According to Simmel:

“[...] there has to be confidence that the money that is accepted can be spent again at the same value. What is indispensable and conclusive is *non aes sed fides*¹³ – the confidence in the ability of an economic community to ensure that the value given in exchange for an interim value, a coin, will be replaced without loss” (Simmel, 1978[1900], p. 191).

¹³ Not money, but faith.

Price increases, devaluations against the dollar, and increases of the dollar prices on the black market indicate a weakened faith in that the peso could be replaced by an equally valuable object in the future. The black market thereby reestablishes some of this confidence. The facilitators of this reestablishment of value preservation are the *arbolitos*, who supposedly get their name from their appearance. Connor, the former investment banker, said that: “they call them *arbolitos* because they have their arms sticking out.” This made them look like *un arbol*, or a tree, and *arbolito* is its diminutive form. Thus, you have the meaning of the nickname: “a small tree”.

The *arbolitos* use the exchange rate pertaining to the *dolar blue*, a dollar sold for a much higher price than the *dolar oficial*, the name used to designate the official exchange rate between the peso and the dollar. In figure 3.1 we see the development of the two exchange rates in the latter half of 2013, and the first three quarters of 2014. The newspapers in Argentina, the biggest ones being Clarín and La Nación, featured daily columns on the dollar exchange rates, the “oficial” as well as the “blue.” During my stay the official peso was subjected to continuous devaluation towards the US dollar, and during this decline in the exchange rate, a rapid drop in exchange value occurred between the 18th and the 30th of January, when the dollar jumped from 6,69 to 8,01 pesos. Around this period we also observe an increase in the price of the *dolar blue*, reaching a peak at 13.10 pesos. This could be interpreted as an increase in demand of dollars due to the insecurities caused by the devaluation; other reasons for this could have been the summer vacations, which caused many people to acquire dollars in January to be able to bring with them an exchangeable currency. This was in the midst of the cumulative devaluation during my fieldwork, totaling an increase in the official dollar price of 1,63 pesos between January 3rd and July 23rd ¹⁴. The *dolar blue* also increased its exchange value during my stay; when I arrived on January 3rd, the exchange rate was 10,00 pesos for a dollar, and it peaked on January 29th, with a rate of 12,9. During the remainder of my fieldwork, it oscillated between 12,3 and 12,4 ¹⁵, in any case, a considerably higher exchange rate than the official one. Apparently, this was the price that many Argentines were willing to pay to acquire dollars, and it represents an example of how the population responds when people demand what the banks are unable to provide.

¹⁴ The official exchange rate is monitored continually on the webpage:
<http://www.xe.com/es/currencycharts/?from=USD&to=ARS&view=1Y>

¹⁵ These two parallel exchange rates are monitored online by the newspaper La Nación:
<http://www.lanacion.com.ar/dolar-hoy-t1369>



Figure 3.1: The differences between the dolar blue, attainable in the cuevas (blue graph) and the dolar oficial (green graph) in the second half of 2013, and the first three quarters of 2014 (Sober Look, 2014).

Information about the differing rates was easy to attain, as Clarín have a ticker in the economic section, shown in figure 3.2, enabling visitors to easily see the different exchange rates, the *dolar blue* and the *dolar oficial*. La Nacion has also got an equivalent, with a quick-button on their front page, enabling visitors to easily see the daily rate.

Dólar			
DOLAR OFICIAL		DOLAR BLUE O PARALELO	
Compra	Venta	Compra	Venta
\$8,520	\$8,620	\$13,52	\$13,62

Figure 3.2: The ticker on the Clarín Webpage, showing the price to buy (compra) and sell (venta) dollars, in the two exchange rates (Retrieved 15.1.2015).

The information about the black market exchange rate was also distributed on social media. The twitter account "Dolar Blue" provides its subscribers with information about the parallel exchange rate, and as of April 2, this account had almost 46.000 followers:



Picture 3.2: The twitter account @DolarBlue. (Retrieved April 2. 2015)

Arbolitos are not the only nicknames referring to service providers performing tasks in the unregulated Argentine economy. It seems to be that these groups emerge from different strata of the population when there is unmet need, or when latent dissatisfactions surface in Argentine society. These include the *cartoneros*, people collecting paper trash from garbage bins all over town, and handing it to recycling plants for money. They are the officially unemployed, the *Lumpenproletariat*, and can be seen with trolleys, sometimes the size of small cars, walking and running, collecting paper and cardboard. These are paid poorly for the material they deliver to the recycling plant, dressed in worn out clothes, and they also resort to begging as a way of increasing their income. I encountered a few *cartoneros* asking me for money in the neighbourhood of San Christobal, a testament of their precarious economic situation. For the unemployed, other ways of earning money marginally more worthy than street begging, were selling chewing gum, socks, paper tissues, or other more or less useful commodities, on street corners and in subway carts. From this strata came also the cashier in the *cueva* depicted above, the one I frequently used for dollar exchanges. I gained his trust sufficiently to ask him a few questions, and he told me that before he started his job in the *cueva*, he was one of these street vendors himself, “I was selling sandwiches in the street before, but this is better.” For him, working in a *casa de cambio* was an improvement of his career.

Caserolazos, another group, got their name after the bank crisis in 2001. These were mainly middle class Argentine residents who took to the streets after the *corralito*, beating on

casseroles in protest of having their pension funds and life savings, severely devalued. During my stay I also saw a gathering of people blocking an avenue in the neighbourhood of Abasto, beating on casseroles. What they protested against was not the confiscation of their money, but a blackout that was occurring that afternoon, the *caserolazos* were standing in a neighbourhood without electricity. The street was dark, except for the traffic lights, which I suppose were connected to a different grid. Although the *arbolitos*, *cartoneros* and *caserolazos* emerge from different sociodemographic groups in Argentine society, they have one thing in common, their existence is a manifestation of unmet needs and popular dissatisfactions.

As previously mentioned, *el cepo cambiario* restricted the possibilities of withdrawing US dollars in Argentina, and even for me it was not possible to acquire dollars legally. The way I got hold of it was by taking the boat to Colonia in Uruguay, and withdrawing dollars from the ATMs. This was a trip that took one hour by ferry each way. I went there twice, to withdraw dollars, and renew my visa. Upon my return to Buenos Aires I would exchange my dollars on the black market in Calle Florida. I went to multiple exchange houses, and did not pay heed to warnings that you should know the people you are dealing with, that I could get robbed, or be sold fake pesos, etc. In fact, the only time I got a fake peso-bill was from an ATM at the ferry terminal.

The procedure of exchanging pesos was simple enough, even though I was quite nervous the first few times. I went over to an *arbolito* who took me to the *cueva*, I entered the back room, and was met by the cashier where I changed my dollars. In the cave, portrayed in Picture 3.1, they also supplied a UV-light during the transactions, an ultra violet device that enabled me to control the money and make sure they were not fake. These establishments have a permanent staff, something I established after using the same exchange house over a period. After a while I was on greeting terms with the cashier in the cave I frequented the most, and if I had received a fake bill, this would be damaging to this cave's reputation as I had acquainted and was on speaking terms with the man giving me these bills. The demand for the *dolar blue* increased after the implementation of the *cepo cambiario*, and the cashier in the cave I frequented said "the cepo brought a lot of new clients."

The gradual decline in the peso's purchasing power is demonstrated by an increase in commodity prices, as well as a higher exchange rate for dollar purchases. This, in turn, led to an increase in the demand for dollars, which again was countered by the governmental limitations of acquiring currency, the *cepo cambiario*. When this occurred, as we can see in figure 3.1, a diverging exchange rate became apparent, due to the increased demand for black

market dollars. This demand indicates the lack of trust in that the value of the peso will remain stable, the utility that the dollar offers in terms of “removing uneasiness” drives the unofficial exchange rate up, thus making the attainable, yet unofficial exchange rate towards the dollar, an image of the need for stability, albeit at an increasingly higher price.

A career pegged to the dollar: Jorge

I was sitting in a backyard one night with three men from various parts of Argentina. The most talkative of these, Jorge, told us stories about his life as a *gaucho*. These are Argentine cowboys, and form a part of the proletariat in rural Argentina. We were drinking beers, and the boys were smoking cigarettes. After a little while he asked me what I was doing in Buenos Aires, and I told him the reason of my stay, that I was writing about the inflation. I immediately got the response I learned to recognize as the default gesture upon revealing my business in Argentina: raised eyebrows, pouted lips, and the receiving end of the message trying to process the information while blowing air in between his lips. I read this expression as a way of telling me that it was hard to watch the purchasing power of the money disappear, but also that it was a subject that was difficult to understand. Further into the night it turned out that Jorge, during the last eight years – from the age of 21, until now, when he of 29 years was trying to make a living as a photographer – had worked in the illegal currency exchange market. He worked in one of the exchange houses that he ran with two other people, where they bought and sold the *dolar blue*. I retrieved Jorge’s phone number before I left the boys, and sent him an SMS the day after asking for an interview to learn the workings of his profession. He invited me home to his parents’ apartment where he was living at the moment. He sent me the address, a street in Palermo, nearby Recoleta, the neighbourhood historically housing the wealthy porteños. At this moment I lived in San Christobal, a part of the city somewhat more humble, and I could see that Recoleta and Palermo were neighbourhoods where more money were circulating, primarily due to the state of the building’s facades, but also the clean sidewalks. I was later told that the latter was due to the fact that the sidewalks of San Christobal where I lived, were swept once a day, while the streets of Recoleta and Palermo were cleaned twice daily by the sanitation department. As I walked from San Christobal, northwards to Recoleta, the necessity of having to dodge dog feces on the street became less of a problem. As for the edifices, San Christobal is characteristic due to its Art Nouveau buildings now fallen into disrepair, leaving a look of a former grandeur unmatched in the decades that were to come. According to Ramiro, who lived in the neighbourhood, this was due to the exodus of wealthy people moving to Recoleta during the yellow fever

epidemic in 1870 and 1871, leaving San Christobal for the working class to inhabit. Since then, occupants apparently could not afford the required maintenance to preserve the intended illustriousness of the architects. The rich, on their part, still live in Recoleta, along with the money a higher standard of maintenance presupposes, and this is all too obvious walking from south to north in Capital Federal. The buildings appear more and more saturated with the hue of wealth for each passing *cuadra*¹⁶ as one traverses the sidewalks towards Recoleta.

My conceptions of the working class *gaucho* now working in the *cuevas*, a former cattle herder who ventured to Capital Federal to work in the black market for dollars, had to be redefined when I saw where his family lived: in an apartment with at least three bedrooms, a large hallway, a kitchen, a dining room and a TV room. My naivety was gradually removed as I saw several indications of high standards before I actually accessed the entrance. It was signalled through a lower frequency of graffiti and breakage of sidewalk tiles. The air was also cleaner in this part of town. The habitants of Recoleta were dressed in more expensive clothes, prone to show off their conspicuous consumption through attire, make-up and plastic surgery.

This being the wealthy part of town, I found a stack of the newspaper La Nación in the entryway. Sophia, an informant who worked in the *Ministerio de Economia*¹⁷, taught me the following classification of Argentine newspapers: “Clarín miente, La Nación-oligarcas.” From this statement I draw that the newspaper Clarín, the biggest media conglomerate in Argentina, lies. This is a case that will be expanded later on. La Nación, on their part, is for the oligarchs. “Who are the oligarchs, then?” I asked, and received the following reply: “Those who read La Nación we call ‘La Nacion-oligarcas’, because they are the people with money.” During the interview it was confirmed to me that Jorge’s alleged background as a *gaucho*, with all the working class connotations this word invokes, did not resonate with the background of his family as landowners.

We sat down by the kitchen table, I had bought two one-litre bottles of beer as a sign of gratitude. He ate breakfast: steak, eggs and bacon while I drank tea. I asked Jorge about his family and the relationship with the land he used to work on, and he told me that his family used to own land, but they were forced to sell all of it during the Menem years, with its fixed exchange rate policy that was damaging to the foreign export of agricultural products. Because of the falling income, the family could not keep the farm. In his economic analysis of agriculture in Argentina, Rune Skarstein employs a class hierarchical typology, and divides

¹⁶ Block.

¹⁷ The Argentine Ministry of Economics.

the agrarian sector into a “ruling class of powerful estate owners, (*estancieros*), that continued the aristocratic values of the Spanish nobility. Underneath was a proletariat of riding cattleherders and sheperds (*gauchos*) and ordinary agricultural laborers (*peónes*)” (Skarstein, 2009, p. 319). It looked like this family previously was located within the former of Skarstein’s categories. When Jorge said that he worked as a *gaucho*, he most likely referred to his role as an apprentice for his *estanciero* parents, under-communicating his background as a part of the land owning aristocracy, romanticizing the life as a labourer. Jorge commenced his work in the black market currency trade as a 22 year old in 2006, and in the last eight years this had been his source of income. From the countryside upbringing in an *estanciero* family, through his present work on the Argentine currency black market, implementations of neoliberal policies and the stern exchange regimes influenced his possible sources of income. It seemed as if his career in a way was pegged to the dollar.

Jorge worked in a cave in the neighbourhood of Palermo. He told me that they were a tiny establishment with three workers and the office was situated in a small room without windows. A friend of his brothers was in charge of this cave, and he was the one who got him the job. In the beginning he started out as a *cadete*, this involved going to houses with dollars and selling them for pesos. After a few years he was promoted to the treasury, working as a cashier, or a “treasurer” as he said, he then had control of the cashbox. He had an excel-sheet on a computer where he registered the incoming and outgoing streams of currencies. At the end of the day he would count it, and if the money in the box corresponded with the money in the sheet, his job was done. If not, he had a problem. This meant that another guy working in the cave had to do the same thing to check if he had stolen a lot of cash. “Sometimes I make thirty phonecalls during a day, it’s very stressful, so sometimes I get it wrong.” The exchange rate changed often, so it was hard to get the numbers right the whole time:

You have some days where you have fifty operations and all the people call you, because the dollar went up, and can go down in ten minutes, one minute. Perhaps I call [my co-worker] and say “ey it’s eleven”, ok, boom, I sell money at eleven and ten, and they call me and say “no, now it’s eleven and fifty”, so it’s always talking with the market, always talking, when you finish you only want to have a *porro*¹⁸, and not seeing money at all.

He did not like the job very much since he was always in a very stressful situation: “Sometimes I walk with a million pesos in the street with two guys with guns, it’s always stress. The people are always stressed.” Their way of keeping the money safe was by making

¹⁸ A joint, a cigarette containing marihuana.

a false door on the wall, and they hid the money behind it. A typical workday started at ten o'clock, the "market", opened at 11.00, but if there were some big issues, for example that "the dollar went up", meaning that the dollar became more expensive overnight because of a devaluation, they opened at 11.30 or 12.00. His workday finished at five o'clock. Some of the exchanges he made directly by going to the banks, and making deposits, so not all of the black market exchanges were conducted outside of the banking system. Some of the money was deposited in the banks, but there was a constant threat that the tax authorities would find out about it and during the past years, restrictions related to the *cepo* had forced him to declare all deposits over 40.000 pesos. If something was suspicious about the declaration, the AFIP¹⁹ was going to investigate it.

I have already mentioned that there is a significant discrepancy between the exchange rates of the official and unofficial dollar, but apparently there are also differences between the different *cuevas*. Jorge told me that his appointments at work were made exclusively through networks and references: "if you call me, and you don't know me, I hang up". This was to keep the AFIP from shutting down their establishment. I was also informed of what he called *feriados Morenos*, where the exchange houses got a telephone from the police the day before raids and were warned to close the doors. This *feriado*, or "holiday", got its name from Secretary of Commerce between 2005 and 2013, Guillermo Moreno. Moreover, he told me that there are many different players in the black market, and that the ones I saw in Calle Florida probably were smaller dealers. The amount of money that he got used to carrying signalled a scope in transactions of a bigger scale than the 100-dollar bills I was used to trading.

Considering my own encounters with the *arbolitos*, I rarely carried more than 200 dollars when I went to change them into pesos. There is a difference between this, and the millions that Jorge was talking about. Apparently, there also existed exchange houses bigger than the one he was working in, but if they were really big, you probably would not hear about them. As he put it: "If you see anything they are not too big. Because it is not trust people and you are changing there in the street in the view of all the people, so I think they are not too big. The big are the companies you don't see." Jorge mentioned that he needed a reference before he made a deal of exchanging dollars, but that he normally facilitated bigger transactions, the statement "it is not trust people" means that confidence needs to be established when conducting bigger transactions. He thought that the same degree of trust was

¹⁹ *Administracion Fiscal de Ingresos Publicos*, The Administracion of Public Income in English. This is the Argentine tax authorities.

not established in the dollar transactions in Calle Florida. When I asked Jorge what types of people exchanged dollars where he worked, he told me that preferably it was people from the neighbourhood. As he was situated in Palermo and Recoleta, this meant the upper echelons of Porteño society. His dad also used him to acquire dollars, and he had even conducted business in *El Congreso*²⁰. The *cuevas* in Calle Florida also operated with different rates, where I got better terms if I exchanged a lot of money in one operation. People did not need references to access these places. It was relatively easy to exchange money, but the rates on the whole were lower. However, the *arbolitos* told me that the more money I exchanged, the better my exchange rate would be. Jorge also said that he would exchange money for a better rate than what it said in the newspapers. It appears that connections within a cave, as well as exchanging large quantities of money at a time, were strategies of increasing the exchange rates.

Jorge and the other *arbolitos* could be called liminal mediators between the two spheres of the economy one often classifies in the binarities of “black” and “white.” Pesos that are acquired from working in the “white” sector, are being exchanged into “black” dollars. Jorge preferred to use the color blue instead of black, as it was better to say that he was working with the *dolar blue*, “if you say you work at the black market to foreigners, it seems more dangerous, so I say I sell the dolar blue.” Although it does not contain all the elements of *rites de passage*, certain similarities are found between the liminality of the exchange relation and the transitions between states that characterize the rituals that Arnold van Gennep describes as being marked by “separation, margin and aggregation” (Turner, 1979, p. 234). The exchange procedures are also marked by a separation, as the client is taken from the streets and then enters the cave, the liminal space is hidden from the view of the street, the transaction takes place guided by the prices set by the “blue market”, and the customer is then reintegrated into the street after having conducted the exchange. This is not unique for *cuevas*, as ATM boots also enables this separation from the view of the street. We see that elements of these rituals survive also in modern cash transactions. I see the *arbolitos* as helping individuals between *states*, that is: “any type of stable or recurrent condition that is culturally recognized” (Turner, 1979, p. 234). The states in question are the sphere for circulation of the peso, and the sphere for dollar circulation.

What caught my attention in this context is the statement by Victor Turner that *neophytes*, as the novices during initiation rituals are called, “are symbolically either sexless

²⁰ The Argentine National Congress.

or bisexual” (ibid.: 237) and trees, from where the exchangers get their name, does not have a sex. Moreover, the etymological background of the word neophyte is also a combination of “new”, *neo* and “plant”, *phytos* (Mirriam Webster, 2015). An *arbolito*, a small tree, could also be said to designate something newly planted, which makes the nickname bear similarities to the meaning of a neophyte. The ethymology of the name might have something to do with this fact, as I did not see a single *arbolito* standing with his arms out to the side, making him resemble a tree, I believe that the nickname must have an alternative explanation.

When the exchanges are being conducted, the similarities to the liminal phase of the ritual are also apparent, when Turner further writes that a “coincidence of opposite processes and notions in a single representation characterizes the peculiar unity of the liminal: that which is neither this nor that, and yet is both” (Turner, 1979, p. 237). We recognize these liminal elements in the rituals of exchange between dollars and pesos in that symbols of ambiguity characterizes the liminal. This ambiguity is expressed in the fact that small trees symbolically bear promises of growth and potential, but the reverse process of death and decay is also inherent in the names referring to the exchange events as they are conducted in places termed “caves”. The associations are various, and an informant told me that they got the name because of their visual appearance with the small entrance and low ceiling. I nevertheless find the designation profound, as caves have also been used as burial sites, as well as places for extracting precious metals and natural resources.

Jorge facilitates the exchange between money representing the two spheres. What one earns in the white economy – that being the regulated national economy of waged labourers subjected to censuses and taxes, who put the surplus of their wages, their savings, in the banks to save for future investments – is exchanged into *dolar blue*, and thus enters the black sphere of the economy. The tax authorities, the government branch responsible for levying income, as well as the banking system, the supposedly safe way of saving money for future investments, are being temporarily sidelined as the response of many Argentines is to acquire dollars, with a proliferation of *dolar blue* suppliers represented by the *cuevas* and *arbolitos*. The boundary between the “white” and “black”, of which it can be claimed that Jorge and the other *arbolitos* are mediators, also represent a boundary of the official banking system’s storing of money.

Victor Turner writes of the liminal personae that they form social groups he claims to form a *comitatus*. An undifferentiated grouping of equal individuals stripped of their insignia of caste and kinship, submitting to ritual elders (Turner, 2002, p. 360). Obviously, *arbolitos* do not share all the attributes of *communitas* in the strict sense, but there are certain

similarities between Turner's meaning of the word and their function in that they exercise a service that "falls in the interstices of social structure" (Turner, 2002, p. 371). As the black market circumvents the official *cepo* regulations, thus rendering them illegal, the absence of strict reinforcement makes them stand in a relationship both outside and inside the formal juridical structure. Their role demonstrate a link between the uncertainty, disorder, that the inflation brings about in establishing and preserving value within the national economy, and the need for psychological stability, order, that could be attained in the unregistered sector of the economy. They illustrate the chaos within the structure, and the leniency of the police signifies the necessity of letting this uncertain situation find its outlet in a manner that is as orderly as possible. The *arbolitos* are in a way "betwixt and between" (Turner, 1979) the state-bank nexus, and domestic responsibility for utility and value preservation.

After the *cepo* was implemented, most people except for the very richest group of Argentines were unable to officially purchase dollars. I acquainted the owner of a sandwich shop in Microcentro, and met him for a talk about the inflation one sunny morning in his restaurant. He told me that you "have to earn 70 000 pesos to buy legally 2000 dollars a month which is a very high salary here. I mean, I guess that 3 or 4 percent of the population only earns that salary, it's near the same that the president earns." This indicates that the people in low paid jobs are unable to purchase dollars for the official rate if they have money that they want to save for later on. It must be noted in this context that having enough money by the end of the month to be able to save them for consumption later on is not a luxury afforded to everyone. But even so, a high monthly income according to the conditions of the *cepo*, grants cheaper access to dollars for the ones with higher incomes than it does to the ones who depend on the *arbolitos* for dollar access. As well as being afforded the privilege of high wages, and easy access to dollars for surplus pesos, one could easily exchange the official pesos in the *dolar blue* market afterwards, thus further enhancing purchasing power. People who have to engage in day-to-day transactions with the peso, is forced into a life that offers little monetary stability. The well off, on their behalf, is offered the privilege of acquiring a more stable value form, the dollar, which makes long term economic planning, such as saving money for the future, easier. This corresponds with the observation made earlier: that having large amounts of money grants easier access to dollars.

There are many ways of protecting values from an unstable economic system, and not all of them involved using houses as a substitute for Argentine banks. When I asked Jorge if his family lost money in 2001, he answered that they lost a lot in the 90's due to a lack of income from selling crops, a side effect of the convertibility-induced exchange rate, but

during the crisis his family held a lot of savings in Uruguay. This way, the former landowner family avoided the difficulties surrounding the devaluation. “I don’t believe that anyone trusts the economy here in Argentina, so we keep our money outside, in Uruguay, the economy there is more stable.” The bank in Uruguay supposedly represents a safer locality for saving, as the political economy of the neighbouring country is somewhat more stable than in Argentina.

Vertical negative reciprocity: Gustavo

Gustavo Schneider was 29 years old, born and raised in the suburbs half an hour outside the city limits of Buenos Aires. He worked in a video games company, where his job was testing the products before they eventually hit the shelves. He had studied engineering at *Universidad de Buenos Aires* some years ago, but quit after two years due to a lack of motivation. The Argentine government does not grant student loans, so most university students need to work more or less full time to finance their expenses, unless they come from wealthy families. The pressures of work and studies eventually resulted in his exit from university, to pursue work and earn money. When I explained my reasons for being in Argentina, he immediately got interested in my project, and he said that he would be more than happy to provide his assistance.

We were acquainted relatively early in my stay, and I met him on a regular basis for several months. After some time we got to be friends, and spent quite a few evenings at bars and in pizzerias, talking until I was too fatigued to continue. He could seemingly go on and on, without seeming to tire the least. It could often go days, sometimes a week or two without us meeting each other. When we caught up he sometimes explained to me that not much had happened since last time, that he had mainly stayed at home, watching pirated movies from the Internet. From our conversations I learned that he would not go out much, referring to the prices as a rationale for choosing to stay at home; he avoided eating at restaurants. Instead he consumed his dinner at work in order to reduce food expenses. Gustavo was a dedicated saver, who chose not to engage in short-term consumption in favour of saving his money. He explained his own situation like this: “I have to live like a rat now, I don’t have any money to use, I take the bike to work to save the money for the subway.”

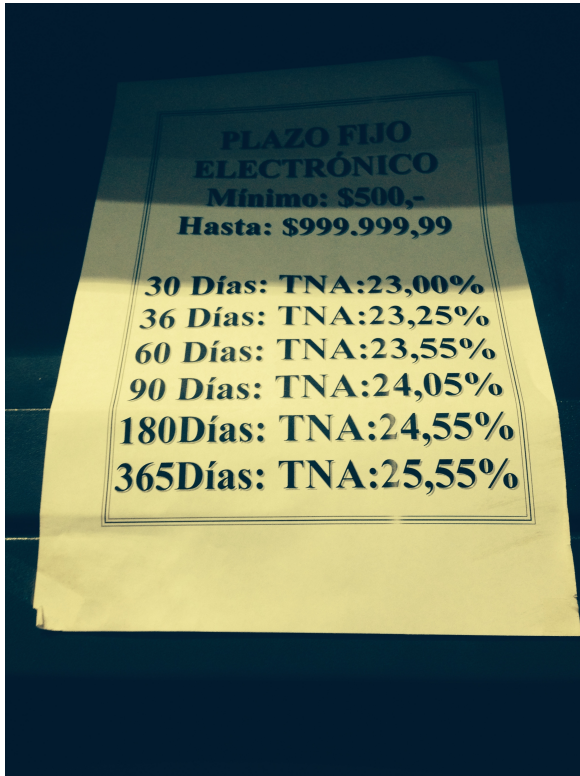
As a man who grew up in Argentina during the 90’s and entered his adolescence in the ’00s, he had clear recollections of economic instabilities and their implications on society. For him, the amount of dollars in the central bank was a number towards which he kept a watchful eye. This was a number that indicated the security or the stability of his own bank account.

This is how he perceives the government and the banks:

Well...the government is always saying that we don't have investment...so we don't have dollars, so what can happen if the government does not have dollars? They are going to invent the dollars, or they are going to get your dollars? So I think they are going to get my dollars, so I don't put the dollars in the banking system, since the government is always saying that they don't have money. I don't trust the government, I will be sure of the government if they say: "oh we are full of money in this country, the banking system is full of dollars", yeah ok well, maybe I put the dollars, but there, they don't have dollars, so I don't trust in them. Remember that ten years ago you could not get money from your banking account.

According to Gustavo, the dollar reserves determine the stability of the banking system. If the government run out of dollars, they would confiscate it, or "steal the dollars", as he said. However, in the period surrounding the interview, the banks were subjected to *cepo* regulations, so the issue of depositing dollars in the banks was nevertheless a problematic one. Dollars who were deposited had to be declared, and it was not in any way certain whether they could be withdrawn afterwards. His explanation also draws on experiences from the crisis in 2001, with the pesification and subsequent devaluation, and it still plays a part in forming his perceptions about the government and the banks. Deposits made before the devaluation in 2001 could afterwards be withdrawn at a rate almost 30% lower, denominated in US dollars. Value storage became difficult after this event, as prices rose 46,7% from 2001-2004 (Economistas de Izquierda, 2004). Deposits were thus deprived of some of their purchasing power during this period. Gustavo characterizes the confiscation of dollar deposits as a "theft", fitting the description of negative reciprocity outlined by Marshall Sahlins: "Negative reciprocity is the attempt to get something for nothing with impunity. [...] Ethnographic terms include 'haggling' or 'barter', 'gambling' 'chicanery', 'theft', and other varieties of seizure" (Sahlins, 1965, p. 195). On the other hand, the ideal, constituting a functional trustworthy banking system, presupposes an expectation on the side of depositors in that they can retrieve the same amount of money they have deposited. Temporal demonstrations of trust through long-term deposits can also be rewarded through a positive real interest rate, where we have an interest rate that surpasses inflation. Thus making deposits a rewarding undertaking if capital is stored long enough to accumulate interest. The picture below shows an overview of the interest rates taped over an ATM in a branch of *Banco de la Nacion* in San Christobal. The interest rate for one year is 25,55%. According to the official numbers, this would give a positive interest rate, as they reported an inflation rate of 23,9% in 2014. However, if the private consultancies were correct, this would give a negative real

interest, as they reported an inflation of 38,5% (La Nacion, 2015). The question of whether it is profitable to save money in the bank thus becomes a question of what number people trust.



PLAZO FIJO ELECTRÓNICO	
Minimo:	\$500,-
Hasta:	\$999.999,99
30 Días:	TNA:23,00%
36 Días:	TNA:23,25%
60 Días:	TNA:23,55%
90 Días:	TNA:24,05%
180Días:	TNA:24,55%
365Días:	TNA:25,55%

Picture 3.3: Interest rates of deposits from 30 days to 365 days (picture taken by the author).

For net creditors, the bank functions therefore as an institution facilitating generalized reciprocity: “transactions that are putatively altruistic, transactions on the line of assistance given and, if possible and necessary, assistance returned” (ibid.: 194). This generalized reciprocity on the side of the banks are instituted to reward saving. Devaluations and periods of inflation change the relationship between deposit holders and the banks from generalized to negative reciprocity, this is demonstrated in a feeling of distrust towards the banking system. The banks could not be trusted to keep dollars in deposits, nor were the *cuevas* trusted sufficiently as to make them function as a substitute for banks. Despite their function as a way of providing dollars, they had not attained a degree of trust that would enable them to keep deposits. When I asked Gustavo if it would be advisable to let the caves keep dollars, he told me that “they aren’t banks, nobody stores money in a cueva. That would be the same as asking a random person in the streets to store your money.”

I think that, when you move money in the bank that it’s safer, no? But here it’s the opposite, the money is safer when it’s at home. Maybe if you are super unlucky that one guy steal your things, but there are more chances that the banks steal your money than a guy enters your house and steal your money. So, basically the banking system here exists to steal our money in one way or another, or giving you some money, to

buy something stupid, and maybe you don't need it, so this is why...this is how this works here, it's terrible, terrible, terrible.

The various forms of reducing the value of the national currency are formulated as “getting your dollars”, another example of negative reciprocity. We can also note that he considers the possibilities of getting the money deprived of its purchasing power in the bank a bigger risk than if he were to keep it at home. Moreover, it seems that Gustavo’s views on the money that are withdrawn from the banks, the pesos, were only able to purchase “stupid things.” This coincides with the observation that he avoided short term consumption, and saved his money for an investment with a longer time horizon, therefore I take “stupid things” to mean short term consumption. Gustavo also keeps an eye on the dollar reserves in the central bank. This amount, he says, acts as a parameter as to when he should “run to the bank” and withdraw his deposits. During an interview I asked him how big the central bank’s money reserves were. His reply was accurate and very close to the officially published numbers. “We had sixty thousand million dollars like four five years ago. In fact at some moment I think in the best, best moment we had one hundred thousand, but for a short time, then the normal was like sixties, fifty, and now it is like twenty seven, twenty eight.” In figure 3.2, we can see that his approximations were correct, as currency reserves oscillated between around 27 billion dollars and 30 billion dollars in the first half of 2014. The distrust that Gustavo felt towards the government, the money and the banking system, was among other things manifested in a monitoring of the central bank.

Karl Polanyi finds three patterns of instituting the economic process, three institutional terms designating continuity in economic transactions. “Reciprocity denotes movements between correlative points of symmetrical groupings; redistribution designates appropriational movements towards a center and out of it again; exchange refers here to vice-versa movements taking place as between “hands” under a market system” (Polanyi, 1968, p. 128). As demonstrated, the banks in Argentina have lost some of the legitimacy enabling reciprocal relations between banks and deposit holders. This in turn influences the redistributive functioning of the banks as a center of economic transactions, as redistribution is termed a subordinate method of reciprocity (Polanyi, 1968, p. 130). It is my argument that the instability of the national currency makes Argentine banks lose their institutional functionality vested in their mandate of securing trust in maintaining a reciprocal relation between banks and clients. The clients employ other value forms than the national currency to accumulate and ensure the safety of their earnings, an accumulation that is aided by illegal dollar purchases. I claim that this is an example of *negative vertical reciprocity*, as the lack of

trust is demonstrated through the subjects’ relation to their government and their banks.

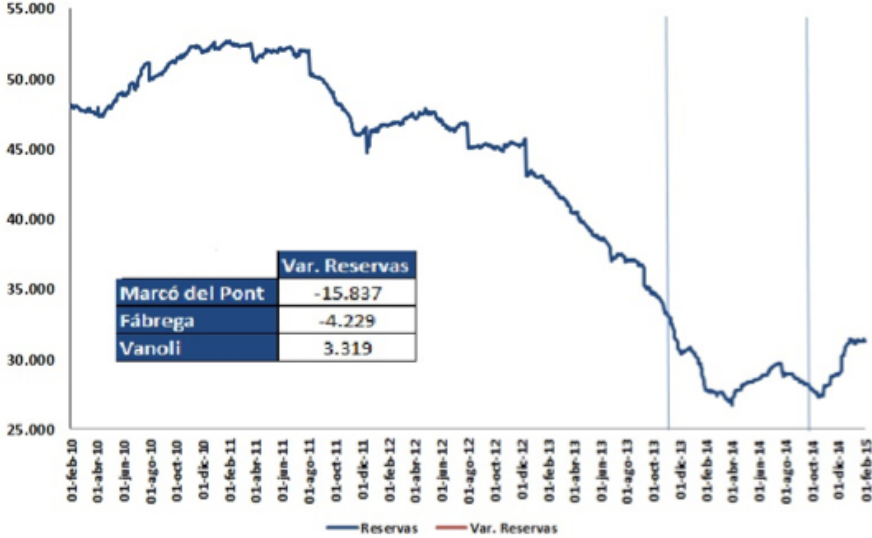


Figure 3.2: Currency reserves in the Central Bank, (in million dollars) Banco Central Republica Argentina (BCRA) (Cachanosky I., 2015).

Horisontal negative reciprocity: Sophia

Gustavo Schneider claimed that it was better to keep his money at home than in the bank. But keeping dollars in the house is also an insecure undertaking. During fieldwork I got the impression that people are cautious about the distribution of information regarding money. I realized this when I talked to Sophia Costa. She was 28 years old, and was living with her parents, two younger sisters and her grandmother in the suburbs of Capital Federal. She studied economics at UBA in the afternoons, and worked at the Economics Ministry at daytime. During our conversations, she would also let me practice my Spanish, and was very open about teaching me about what it has been like to live in Buenos Aires since the late 80’s. After a while she became my friend, and during informal conversations and interviews we would also talk about topics regarding economic instabilities, one of these being the question of saving dollars in the house. She told me that her mother and father managed to withdraw the dollars from their bank account one week ahead of the *corralito*, and since then they had kept their dollars at home. Sophia told me that she was very young then, but she remembered that her parents would not tell her and her sisters where they kept their dollars. Her mother did not see this as a suitable topic for conversation, and when she heard about our conversation topics, her mother had yelled at her. “It’s not nice to ask about savings in Argentina”, she said:

Here in Argentina, there is a custom of not telling other people what they do with their savings. I mean, due to the questions of fear or insecurity, people in general rarely say what they do with their savings, and also, there is another subject: for example, if you ask a person how much he is making, it is possible that he will tell you less than what he actually earns. It is because of some kind of fear. When I was a girl, my parents would talk about money, when they were talking about money and I would listen they told me "don't tell anybody about what you have heard" [...] because at times there are lots of criminals, and there is a culture of not talking about money, it seems to me that here, no we don't do that.

From what Sophia told me, and through my experiences during fieldwork, I learned that people were not vocal about savings and earnings in Argentina. Topics concerning money were not discussed when people gathered for dinners and celebrations of different sorts. Considering the high levels of crime in her *barrio*²¹, exposing this information meant endangering the valuables that the family might have in the home. This fear was probably justified, as experiences of criminal activity were something she would often mention in our conversations. An example: "My father was assaulted close to where we live, and it ended with him being shot in the leg. They told him that if the bullet had entered closer to an artery, he could have died. Fortunately this did not happen." The feeling of insecurity towards the outside of the house is based on past experiences of criminal activity. We have noted Gustavo's relation to the banks, a relationship we termed *negative vertical reciprocity*. Meanwhile, Sophia's lack of trust in strangers on the street could be termed *negative horisontal reciprocity*.

Sophia and Gustavo told me money was not necessarily a suitable topic for conversation, as it is considered rude or impolite to inquire about how much money people make. In a country where the safest way to secure a non-diminishing exchange value for the savings is in the house, secrecy prevents word getting around about the money. Crime was something that I was warned of frequently, and armed robberies were, and still are, a threat in Buenos Aires. This causes the owners of apartment complexes, as well as commercial buildings, to equip them with steel gratings or iron curtains to guard the inside of the house from crime. In the neighbourhood of San Christobal I could seldom see a window in the first two stories without any form of safety precaution. Doors with safety locks and metal in front of the windows represent the boundaries that separate the internal space, where the family resides, from the insecure outside. Some residential buildings took these measures to ensure safety even further. I often passed edifices surrounded by steel fences three to five metres

²¹ Spanish, meaning neighbourhood.

high, with security cameras covering the totality of the perimeter, giving the guards in the duty room full vision of the surrounding area. In Buenos Aires, the societal polarization is manifested most strongly between what is known as the *villas miserables* and the *barrios cerrados*. The former designates a densely populated informal settlement characterised by substandard housing that is mostly unplanned (Benwell et.al, 2013, p. 149). The latter are various forms of gated communities, often located directly alongside these *villas*, and class tensions are demonstrated by the safety precautions of these closed neighbourhoods. Tensions are also manifest in the prejudice and distrust of the middle classes with regard to residents of the poorer neighbourhoods of the city (ibid.: 157). Architecture and discourses based on experiences with crime demonstrate safety precautions to guard oneself against insecurity. My conversations with Sophia also testified several of these experiences, shaping her subjective perception of the city in which she lives. Although official reports point to the difficulty of collecting reliable statistics, Capital Federal has the highest crime rates in Argentina, the most of which is property related, and a large proportion of thefts are violent. (ibid.: 156) The media on their part perpetuated this image, as pictures of lynchings, gang violence and armed robberies frequented the webpages of the major newspapers quite often during my fieldwork. Videos documenting crime were also spread through social media.

Silence is often used as a supplement for physical safety measures. There are many codes of secrecy concerning the communication of the numbers regarding wages, as well as savings, and is often considered a topic to be disregarded in discussions. Because of the crime, secrecy is important when talking about money, wages and savings, enabling storage in the house without this money ever being heard of outside the family, or even the dyad of married couples. Sophia explains:

My father has got savings, but I do not know how much, he does not tell me anything. But if I was to ask him, he would not tell me anything, it is very secret, over there they have a fear, for example. They should be afraid, that if I talk to other persons over there it will escape me, and then some people will rob the house.

From this fragment we notice that Sophia is worried that the information, or the secret about the money in the house, will “escape” her. I take this verb to be a conceptual metaphor where the information regarding the money should be held captive. Lakoff and Johnson (1980) claim that “communication is based on the same conceptual system in terms of which we think and act” and that “language is an important source of evidence for what that system is like” (Lakoff & Johnson, 1980, p. 454). An appropriate metaphor might be that information about the money is enclosed in a cage or within walls. Speaking about it will release it. The physical

basis for these metaphors could be the walls and gratings of the houses, or the fences that surround the gated communities. This example demonstrates how distrust is reflected in language. The silence and secrecy finds its physical basis in something to be locked up. Nonetheless, this projection of agency onto information “allows us to view events, activities, emotions, ideas, etc., as entities for various purposes (e.g. in order to refer to them, categorize them, group them or quantify them) (ibid.: 461). People guard this information, as well as the savings, and if it gets out, insecurity is the result. This anxiety was demonstrated when Sophia’s mother found out about our interview, and yelled at her for talking about the subject. This is why most of the “dark information” about money saving was received during informal one to one interviews. Wages and money are of significance, but the polite and safe thing to do is to avoid talking about them when larger groups of people are gathered.

A trip to the mall: Leandro

The first time I met Leandro Sanchez was upon my arrival in January, when he drove me in his taxi from the airport to the hostel where I spent the first two weeks. Back then, he presented me with a small ultra-violet lamp, attachable to the key-chain, to control the watermarks on the money he implied I was to receive from the *arbolitos*. He then communicated to me, patiently, as my Spanish at this stage barely qualified for ordering food and beverages, that I should try to exchange money on the black market. Thus, one of the first things I talked about in Argentina was the unstable currency. Later on in my fieldwork I recalled this incident, and as I had gotten his phone number, I asked him if an interview would be in order. I met him at an intersection by subwayline *Linea B’s* terminal station: *Estacion Juan Manuel de Rosas*, in June. It was 18:30, a cool dark afternoon, and he had just finished the workday. I got in the cab, and we took off. Florencia, his wife, moved to the rear, leaving the front seat vacant for me to occupy. She was dressed in formal business attire, in a black blazer, with black pants and shoes of dark leather, with a lime-green kerchief, a color in sharp contrast to the rest of the clothes. He wore the uniform of the Argentine taxi-driver: a blue chequered piquet shirt, loose jeans and sneakers. The taxi drove through the night, and I sat with the tape recorder in the passenger seat as the two become my teachers. We quickly talked ourselves into topics concerning the dollar, and he wanted me to know that Argentina was the country in the world, apart from the United States, with the most dollars in the world. In a document published by The U.S. Departement of the Treasury, it is reported that 50 billion dollars, 1 300 dollars per capita, is circulated in the Argentine Economy. Alfredo Zaiat writes that this is generally money hidden in the *colchon*, the couch, and as such does not

accrue the interest of bank deposits. The primary motive of saving money this way is, not unsurprisingly perhaps, to “defend oneself against an eventual devaluation” (Zaiat, 2012, p. 84). After a while he got into his strategies of saving what he earned: “A great way of saving money is remodeling my house, or to invest in property or buying cars, or buying electrical appliances, a TV in shares for example.” Improving the house was a way of getting rid of pesos and improving the value of his house. The exchange value of the house would improve if he was to sell it, and the reduced uneasiness of not keeping pesos in the bank, and an excessive amount of dollars in the house would also give him emotional stability. When he had spare money at the end of the month, he would exchange dollars on the black market and save them in the house, but also in this case, we notice that the biggest problem with this strategy was the insecurity:

One of the dangers with having money is that people engage in telephonic kidnappings here in Argentina. What people do, is that they kidnap one of the members of the family, and then write a note where the kidnapped person says ‘we know that you have 20 000 dollars in the house, give it to us and we will release your daughter’, for example. If you have money in the house, you have to give it to the bad guys.

Day-to-day transactions were conducted using pesos, and Leandro and his wife also used the national currency in the supermarket. Short-term consumption, purchases of groceries such as milk, bread, vegetables, wine and meat were conducted with the national currency. However, when he wanted to communicate the price of goods to me, he insisted on using the value of the *dolar blue* to explain the price to me. “This bottle”, he said, while holding up a bottle of wine “is worth sixty pesos, that is six dollars.” The official exchange rate during the period of the interview was 8 pesos per dollar, and in June, the unofficial rate was closer to 12 pesos, so his approximations were somewhere in between the two dollar rates at the moment of the interview. However in the fall of 2013, until the vacations and the devaluation sent the price of the *dolar blue* up to over 13 pesos, the price had been 10 pesos on the black market. And in the period of April and May 2014, the price of the *dolar blue* had again more or less stabilized at a price of 10 pesos. His estimation and communication of the dollar price nevertheless demonstrates that he does not use the official rate to fix the prices of the products. On Leandro’s behalf, this could indicate distrust in the number that designates the exchange value of the peso. He continued to explain to me that he believed that “after one year, this bottle will be worth thirty pesos more, we will pay ninety pesos.” He thus predicted that the inflation would reach 50% the next year. His projection of the price increase indicated that the official statistics were not taken into account when he made this estimation. Around the same time

period as this interview was conducted (June, 2014), Clarín published an article stating that the INDEC published numbers claiming that the prices increased 13,57% from January to May of 2014 (Bermúdez, 2014). His estimations of price increases are thus much higher than what the INDEC calculates. This information that is being published by the official bureau concerning inflation, and Leandro's communication of the projected price increases as he sees them, does not correspond. Nor does his communication of the dollar price of a bottle of wine correspond to a belief in that the official exchange rate does the job of fixating a believable price in pesos to the products in the supermarket. The official numbers designating peso exchange value seem to be too low, according to Leandro, who uses higher numbers to calculate the exchange relation to dollars, and the value of its purchasing power in the future. According to D'Andrade "*internalization* is common in psychological anthropology, where it refers to the process by which cultural representations become a part of the individual; that is, become what is right and true" (D'Andrade, 1995, p. 227). In this case, it seems as if the official statistics are not trusted sufficiently to make them believable, they are not properly internalized.

Hecha la ley, hecha la trampa

When long term planning is involved, the *cepo* regulations are circumvented to enter the black currency exchange. Although prohibited, the police force did not strictly enforce the rules and regulations regarding the control on dollar transactions, leaving a space between formal regulations and informal practice to enable an exchange system that provided the Porteños with a currency that conserved exchange value over time better than the peso. But people also employed other strategies to acquire dollars. One way of acquiring dollars was going to a casino and use pesos to buy casino tokens that were then exchanged back into dollars. Gustavo told me that:

Some people go to the casino and they have a trick in there. They buy something in pesos, you know the coin in a casino, play and they decide not to play and they sell it back to the casino and they get dollars. I think the casinos are thinking that "no no we need to check this", but a lot of people did it. They went to the casino, buy something [chips] to play and then they say "ok, no I won't play, I want the money back" and they got dollars.

It appeared that these kinds of things were procedures commonly employed to achieve monetary stability, so I started asking my informants about what they thought about breaking the law to acquire dollars. When I enquired about this subject, Constansa told me that "here in Argentina, we make the rules to break them: *hecha la ley, hecha la trampa*." First they make

the law, they then cheat on it. This term was familiar to my informants, and they immediately recognized the saying when mentioned it. It seems that there are several ways to go around regulations such as the *cepo*, and the casinos provided another way to circumvent the regulations and acquire dollars. The curious fact about casinos in Argentina, however, is that they are prohibited, but their construction is made possible by building them off the mainland. This was revealed to me when I asked Leandro “What does it mean, the phrase *hecha la ley, hecha la trampa*?” When he heard it he immediately chuckled, and told me that:

- It’s a phrase that is very common here, you make a law, but before you make the law you study the possibility of breaking this law. A funny thing is the casinos here in Buenos Aires. In the territory of the City of Buenos Aires it is prohibited to play the roulette, on the soil. And where are the casinos?

- In Puerto Madero²².

- In the water! In a boat! You understand? What happens, on the soil they prohibit it, but on the water it is allowed. So there you have it: *hecha la ley, hecha la trampa*. Because the law says that you cannot build a casino, but the cheating is that they are made on the water, where it is allowed. These casinos generate millions of dollars in taxes for the government.

The government imposed the regulations they called the *cepo cambiario*, limiting access to dollars, and as we have seen, the regulations are broken in different ways. Bourdieu Waquant & Farage (1994) expand on Max Weber’s definition of the state that it is “an X (to be determined) which successfully claims the monopoly of the legitimate use of physical and *symbolic* violence over the totality of the corresponding population” (Bourdieu, Waquant, & Farage, 1994, p. 3). This legitimate use of physical and symbolic violence is justified by concentration of different forms of ‘capital’, and that juridical ‘capital’ (i.e. laws) is “an objectified and codified form of symbolic ‘capital’” (ibid.: 9). *Hecha la ley, hecha la trampa* indicates the ease by which laws could be broken. The need of planning for the future by purchasing dollars puts heavier weight on the moral scale of my informants than obeying the law. Laws and their enforcement do not make “the notion of punishment and its discomfort more intense than the notion of the felony and its pleasures” (Foucault, 1977, p. 95). Sophia also recognized the saying, and she told me that laws and regulations did not have to be obeyed all the time, particularly regulations regarding money, when I asked her. She said that:

It’s what the government says, but it’s not illegal, because it’s my money that I earn with my effort, so no, for me it’s not illegal I would say. No because it’s my money because the government can’t tell you, I mean they are not telling you what to do with the money, there isn’t a law against buying dollars, it’s just a resolution, or something *de facto*. In legal terms, there isn’t any law that is against buying dollars,

²² The authors voice is in cursive.

and I think maybe in a more liberal way, that it's my money and I can do whatever I want.

I continued asking about the obedience of regulations. Gustavo claimed that people also used the term in reverse:

Ah, some people say that this is a little bit old now, because now it's the opposite: *Hecha la trampa, hecha la ley*. Because, apparently in the past ah people was more polite, and...so... did things that they were not allowed to do. Ok, don't buy something, don't buy drugs, ok, so the government say, ok "don't buy drugs", and people, ok, well I want to buy drugs, so...first the law, second ok... the mean part, now it's the mean part, and then the law, because people are doing a lot of mean things all the time, so this changes. The government cannot think about all the mean things that people do, so they...first they see something not working and then they create the rule.

Regarding the currency, they are connected in a way that the "rule", the *cepo*, comes from the instabilities of reduced dollar reserves and the diminishing exchange value of the peso, is countered by a "trampa", the system providing *dolar blue* to the people. This forms the tension between imposition of laws by the government on the people, who find techniques to avoid or break the laws. My observations led me to believe that these laws are enforced only casually, a fact demonstrated by the police standing idly by in Calle Florida, while *arbolitos* went about their business more or less in the open. The *feriados Morenos* was also a testament to this lax law enforcement. I counted the *arbolitos* and police officers in Calle Florida one day, to get a picture of how the trading in the street was, as well as law enforcement officers who were to provide law and order in the street. On the day I counted them (March 12th 2014), 84 *arbolitos* were employed only in Calle Florida, and 9 police officers were positioned on the street. It can also be noted that the concentration of *arbolitos* was at its most dense in the *cuadra*²³ to to the north of Avenida Corrientes, where the subway exhausted people moving down the street towards Retiro.

²³ Block.



Picture 3.4: Calle Florida, with arbolitos (blue), and police officers (red).

During my fieldwork I observed how the police was either not capable or not willing to stop the trading of the *dolar blue*. The *arbolitos* exclaimed their offers in the street, and despite the fact that police officers flanked the busy shopping street right and left, executing their respective functions. I could not see a single arrest during the days I was walking there.

If laws are meant to control the population, then *hecha la ley, hecha la trampa* denotes a relationship between the legislators and its subjects where laws are to be disobeyed. The *cepo* regulations are subsequently rejected or disobeyed in the *cuevas*, to enable purchases of dollars, a value form to secure a more stable trajectory for the future. The tolerant enforcement by the police, allowing circumvention of regulations by the people affected by the *cepo*, brokered an implicit agreement between the government and the population where the government retained the dollar reserves on their part, while the informal ways of acquiring dollars remained open for the public. The politicians as well as the people are dependent on the *cuevas* to maintain stability. My informant in the sandwich store said that “it is better for them [i.e. the politicians] to control them than to erase them. Because it’s another variable to play with you know? They need them, they can’t stop them, you have to coexist.”

Pesos used for short-term consumption were exchanged into the long-term savings trajectory by using informal valves of exchange. The *arbolitos* enabled a change in the trajectory of value preservation by allowing people to access dollars. As the government in many cases imposed regulations on dollar transactions, people often responded by

transporting the money by themselves to the place where the apartment was to be purchased. Professor Adrian Prieto explains that property acquisitions are conducted with dollars, in cash, and we can see another reason for the proliferation of the *arbolitos*:

The real estate market is dollarized, as you know, so prices were quoted in dollars, and this is one of the bizarre things of the Argentine economy, if you want to buy an apartment or some piece of real estate in anything else than physical dollar bills, its the whole business. I mean...make you a bank transfer, come on, the way we do it is with dollars. Physical dollars, and we count one by one, one hundred two hundred three hundred, absolutely crazy!

By dividing the functions of the different Argentine currency system into separate spheres, where short term transactions are conducted in pesos, and real estate is purchased in dollars, we can recall Paul Bohannan's (1959) study of the Tiv. Although the similarities between the two cases are limited to the fact that the Tiv also divided their economy into different exchange spheres – subsistence, prestige and rights in human beings – the division between the subsistence and prestige sphere might give us a rough conceptual framework with which to categorize Argentine transactions. We see that there is a demarcation between the functions that the two different currencies serve. Bohannan writes that money, as economists learn it to be, serves at least three purposes. It is a means of exchange, a mode of payment and a standard of value, and he adds: “Depending on the vintage and persuasion of the author of the book one consults, one may find another money use – storage of wealth.” (Bohannan, 1959, p. 491). These functions are encapsulated within exchange and utility value, if we again were to invoke Simmels jargon. I have noted how the price of the dollar (both the *blue* and the *oficial*) increased during my fieldwork, if we were to measure its value in pesos: a testament to its function as a better “storage of wealth.” Conversion between the two spheres of pesos and dollars thus became profitable if one had money to save. Further, both dollars and pesos serve the three purposes of money, they both thus serve as “general purpose money” (ibid.: 492), but the two are separate in that the peso is excluded as means of exchange, mode of payment and a standard of value in the real estate market. During my fieldwork it was this separation that established the boundary between the spheres of exchange in Argentina, and the capacity of the dollar as being a better storage of wealth made it the mediating link between circulation of pesos and property acquisitions. Fredrik Barth (1996) commented on Bohannan's use of the concept of spheres, and said that we need to give up the premise that there is a hierarchy between the spheres in order for it to be useful (p. 52). It appears that subjective conceptions of value preservation give no concluding answer as to what is the best way to preserve and/or spend money, as we have outlined different strategies of spending money. Short-term

consumption in Ramiro Diaz' case, who lost a lot of his money in 2001, against Gustavo Schneiders mentality of saving money for the future. A common prioritization, however, seems to be that my informants seek to minimize uncertainty as to what is to happen to their money, and *hecha la ley hecha la trampa* indicated that juridical prescriptions had yet to be translated into moral injunctions.

Reciprocal distrust: Nani

Nani was a desk clerk for a Chinese company in Retiro, the office district, during daytime and studied political philosophy during the evenings. We were acquainted when I frequented political meetings with the Abasto²⁴ branch of the Trotskyist workers party, *Partido Obrero*. To some of these meetings she also brought her son with her. She was an outspoken person on subjects regarding political economics, and I got to interview her during her lunch break. She introduced me to the difficulties she encountered as a bank client in Argentina.

This annoys me, that my work pays me in debitcard, and that you cannot withdraw your entire paycheck at once, you have to withdraw 1500 per day. To withdraw all my paycheck, I need to go to the ATM four or five days following each other. If you get your salary one day, and the next day you want to pay your rent, you can't get it all at once, you have to take a little every day, so I loose time doing this. But I need more than 1500 to pay the rent, but it's my paycheck, it's not the bank's money!

Our conversation about her monthly income was an act of trust considering her openness about the topic, as I have earlier mentioned that it was bad manners to talk about money. The last part she said with a high pitched, indignant tone of voice. This was her salary, to do with as she pleased. The limitations on withdrawals to reduce the hazard of bankruptcies demonstrate the mutual, or reciprocal, distrust between banks and the people.

Inflation and devaluations of the peso prevent several of my informants from trusting the banks, and it seems as if this distrust is mutual, that the banks expect bank runs, and limit the possibilities of withdrawing money. The *cepo* has put restrictions on the dollar, but peso withdrawals are also subjected to limitations. These expectations on behalf of the banks are not unfounded, as the Argentine Central Bank frequently face situations where people run to the banks, withdrawing money. During the first five years of Cristina Kirchners Presidency (2007-2011), Argentine banks noted six of these bank runs. These are shown in Figure 3.4, and the amounts of dollars that were withdrawn are shown in the column to the right. In this period, when dollars could still be withdrawn from the accounts, periods of capital flight drained the banks of 60.676 million dollars (Zaiat, 2012, pp. 88-89). The *correos*, as the bank

²⁴ A barrio (neighbourhood) in Capital Federal.

runs are called, can be traced to events that make people start to distrust the stability of the banking system in Argentina, and thus withdraw dollars to avoid having money in the bank if the peso were to be subject to a sudden devaluation such as the one in 2001.

Event	Duration	Amount*
1. Presidential Elections	Jul. 2007/ oct. 2007	7.131
2. The crisis with the agricultural sector	Apr. 2008/ jul. 2008	10.393
3. The closing of Lehman Brothers	Sept. 2008/ oct. 2008	6.561
4. The closing of AFJP, international crisis, legislative elections 2009	Dec. 2008/ jul. 2009	13.393
5. Crisis in the BCRA (The Central Bank of Argentina)	Jan. 2010/ apr. 2010	5.262
6. Presidential elections	Apr. 2011/ oct. 2011	17.545

* Million US Dollars

Figure 3.4: Bank runs between 2007-2011. Source: Alfredo Zaiat (2012, p. 89).

The events that triggered the first of these bank runs were the first presidential election of Cristina Kirchner. The second was due to a conflict between the government and the agricultural exporters, where the response to an export tax regime was a farm strike where farmers organized road blocks from March to June, causing severe shortages of food products (Cavallo, 2012, p. 11). In 2008, the closing of Lehman Brothers bank in the US sent repercussions also within Argentina, leading to a third bank run. Zaiat traces the fourth bank run to the nationalization of the AFJP, the national pension fund, privatized during the Menem administration (Basualdo, 2013). The international financial crises originating in the Lehman collapse, as well as anticipations of the legislative elections that was to decide the seats in half the lower house of congress and one third of the senate to be held the same year, were other supposedly contributing factors (Lupo, 2009, p. 174). In 2010, the Kirchner administration established a bicentennial fund, where 6.549 million US dollars were to be used to cover maturity on the public debt (Sarrasague, 2010), triggering another run. The presidential election of 2011, where Cristina Kirchner was reelected, made people withdraw 17.545 million US dollars. These events necessitated the *cepo*, implemented in November

2011. To prevent losing their money, the Argentine banks' impose limits on withdrawals to make sure that the banks maintain their core capital.

About the *dolar blue* she explained to me that it was not only ordinary people who purchased dollars to buy houses and other things, but also big companies, but they did not buy their dollars in the street. She also had relatively low confidence in that the number stating the official exchange rate was the correct one. "This parallel dollar is the true value of the dollar, because we cannot buy any of the dollar of the government". However, it did not matter much to her, as she could not save money anyway of the 8000 pesos she made per month. "I don't trust in any of the banks, but I don't have money to save anyway".

At one time I heard her use the phrase *manotazo de ahogado*, to explain the situation concerning the inflation. *Manotazo* is a forceful handmovement, and *ahogado* means to drown, a phrase used to designate a drowning man who cannot get out of the water despite of his efforts. I asked Nani what it meant, and she used it as an analogy on the Argentine economy. Apparently, this phrase for her was related to a lot of subjects, and what followed was a monologue on her feelings concerning the situation:

I use it a lot, because this guy falls into a well with water in it, and start to do like this, moving his hands [she demonstrate flapping her hands] but cannot get out. So he grabs his head to try to lift himself out of the water, which is impossible according to the laws of physics. This is called *manotazo de ahogado*, because when the government doesn't know how to come up with a remedy, or have an economic plan, what it does is make it very clear that in the moment of crisis, and when one is drowning it is a crisis, who is going to save you then? In these moments when...to make an analogy: when the people are entering an economic crisis, when they cannot pay their costs or their rent, or this guy that is drowning, it is clash with crude reality, so this baron de Münchhausen who is trying to save himself by taking out his hands, he ends up drowning. If one is drowning, a person cannot save himself with the same methods by which he is drowning. So the Kirchner government can't save us with more of the same, they need to change to survive, and for this crisis the only exit is to prohibit the dismissals, suspensions, to prohibit the increase in the food prices, and reorganize the economy, but this government won't do that.

She compares the contemporary government with a man that is drowning, and tries to pull his own head out of the water. This is a telling analogy on her perceptions regarding the measures taken by the government to cover their deficits by creating money. As the increasing supply of pesos contributes to increasing the prices, the government, by funding their deficit in this way, end up by not lifting the people who they are meant to represent "out of the water", as commodities end up costing more.

There are also reasons to suspect that the economic crisis Nani is talking about is a

fact. The statistics trying to determine the performance of the economy were contested during my fieldwork, and it was not possible to get a unified answer from my informants about the official statistics, but it was suspected by unofficial estimates that the Argentine economy suffered a recession during 2014, where GDP shrunk somewhere between 2 – 2,5%. Meanwhile, the official statistics were somewhat more optimistic, claiming a growth of 0,5% (Jueguen, La Nacion, 2015). In any case, regardless of what statistic to trust, the Argentine national economy is experiencing turmoil if we are to compare it to the 3% growth rate that according to David Harvey (2011) is an acceptable level of growth, for a “healthy” capitalism. But if the unofficial statistics are correct, then the Argentine economy is indeed experiencing a crisis, as this is defined by zero or negative growth (p. 6). In any case, Nani claims that Argentina is experiencing a crisis, and she has got little faith in that the government is undertaking the correct measures to change the situation, and reform the economy.

Chapter 4: Theories of Inflation

The debate on Latin American inflation has been divided into two recognized schools of thought. These were structuralists and monetarists, the former placed the responsibilities on price increases on the interaction between productive sectors. The latter explained the inflation due to increases in the amount of money in circulation (Neiburg, 2006). To these interpretations we can further add the Marxist school, which have had some influence on monetarist thinking of inflation.

Imbalances: Structuralist interpretation

Structural inflation interprets the causes of inflation as being rooted in market failure. This theory claims that prices give the wrong signals because they are distorted by monopoly or other influences. Moreover, labour and other production factors may respond to price signals inadequately. Another failure of the market was that factors of production may be immobile, or unable to move quickly (Arndt, 1985, p. 152).

It will be explained later on that prices, and the potential signals they convey, are distorted in Argentina, as the government is suspected to manipulating the inflation statistics. Government subsidies also influence prices on consumer goods and collective transportation, so according to structuralists, they are displaying the wrong signals. The contesting numbers regarding CPI indexes in turn influence demands for price increases on behalf of labour, as they calculate their demands of wage increases based on the inflation as it is measured by independent consultancies. The pricing mechanisms in Argentina during my fieldwork was enmeshed in price regulations and other interventions. However, this theory was not what my informants labeled as the true cause of the inflation. The structuralist theories had not seemed to disseminate into my informants' interpretations of the price increases. However, my first landlady Constansa argued that the producers of agricultural products were to blame for rising the prices, indicating some lack of uniformity regarding the interpretations of the causes of inflation. On the other hand, most of them attributed the inflation to increases in the amount of money in circulation. I therefore got the impression that monetarist inflation was the dominant explanatory paradigm. According to Leandro:

The government wants us to use pesos. Pesos that are made by them, do you understand? They want the people to manage with peso, the pesos that they make which creates the inflation. Do you understand? And then later they lie with the indexes of the inflation. Lie with the indexes to attain international credit. That is what I think at least.

This quote is just one example of a statement that my informants voiced in several variations. The common way of explaining the inflation was by identifying the creation of money as its main cause. The government was the usual suspect, and references to market failure, proponed by the structuralists, was not a common way of perceiving the instabilities of prices. As well as demonstrating another aspect of the lack of trust that people feel towards the state, this tendency indicates that the predominant mode of reasoning among my informants was by using monetarist theories.

Circulatory and productory: Marxist interpretation²⁵

Karl Marx (1975[1867]) wrote that the sum of circulated commodity prices are related to the volume of money functioning as means of circulation and the turnover number per money unit. The turnover number represents a weighted average of the number of times the amount of exchanges that the money have been subjected to within a given time period. The relation is formulated in this equation (p. 133):

$$\frac{\textit{Sum of circulated commodity prices}}{\textit{Turnover number per money unit}} \\ = \textit{Volume of money functioning as means of circulation}$$

If we rewrite this formula to make it express the sum of circulated commodity prices, we see that this is expressed as the product of the volume of money and the turnover number per money unit. An increase in the price of products in an economy is thus formulated in this equation:

$$\textit{Volume of money(...)} \times \textit{Turnover number per money unit} \\ = \textit{Sum of circulated commodity prices}$$

Inflation, understood from this equation as an increase in the price of commodities, could thus be due to an increase in the volume or turnover number of money units. The two kinds of *circulatory inflation* could therefore be termed *financial inflation* or *turnover inflation*, respectively. An increase in the amount of money in an economy will increase the collected price of goods. Moreover, as people see the prices rising, it is suspected that this will make people want to exchange their money faster, thus increasing the turnover number of money.

Johansen (2015) expands on the perspective of Marx, claiming that it opens up for a concept of productory inflation or deflation. In this perspective, prices are viewed as

²⁵ I am thankful to Stein E. Johansen for clarifying issues in this section, especially with respect to Marx' theory of capital, in an e-mail of June 2015.

expressions of labour time contents. Meanwhile, Marx did not account for the relation between sums of circulating money prices and labour time content. Expanding on this relation, as the labour time content could be seen to decrease due to increases in productivity, the money unit becomes *substantially deflated* measured in labour time units, meanwhile, labour time becomes *formally inflated* measured in money units. According to Johansen, a substantial increase in productivity would lead to a deflation in commodity prices as measured in money units. However, in an empirical economy this does not appear to be the case, and the substantial deflation of commodities due to productivity growth are thus *camouflaged* as the sums of circulating prices is not decreased correspondingly.

The stated equation of Marx with respect to circulatory inflation was echoed by Georg Simmel when he wrote: “we need only assume a very general relationship between the quantity of goods and the quantity of money, which is illustrated by the connection [...] between an increasing supply of money and rising prices, an increasing supply of goods and falling prices” (Simmel, 1978[1900], p. 141).

Volume and velocity: Monetarist inflation

The concept of *circulatory inflation* in Marx’ theory has been continued into contemporary economic textbooks (Steigum, 2004) that have labeled it the “quantity theory”. This theory also claims that there is a relationship between monetary amount, and the price level: $MV = PY$. The quantity of money (M), and the Velocity (V), equals the GDP deflator (P), and real GDP (Y) (Steigum, 2004, p. 204). “The quantity theory claims that if the central bank increases the monetary amount, in the long run the price levels will increase with the same rate” (Steigum, 2004, p. 207). By regrouping the factors, we see that the price level is expressed like this:

$$P = \frac{M \times V}{Y}$$

Prices in this equation are related to the quantity of money, and its velocity. This latter number could be equated to Marx’ circulation number. Moreover, if the GDP increases, then prices will fall, in line with Simmel’s theory of increasing supply of goods and falling prices. Erling Steigum (2004) writes the quantity theory in growth form, where it is claimed that an increase in the inflation rate Π occurs if deposits g_M increases at a higher rate than the Gross Domestic Product, or GDP g_Y and the turnover rate, or velocity, of the money g_V . “A high turnover rate means that money circulate fast in the economy so that every unit changes hands often during one year” (Steigum, 2004, p. 208). The inflation rate Π is expressed in the

equation:

$$\Pi = g_M + g_V - g_Y$$

Several informants believe that the inflation is caused by money being created by the government to cover expenses, and according to the mathematical formula, they were partially correct. Most informants conceive inflation as more aligned with monetary and circulatory interpretations than with structuralist interpretations. However, in this alignment they seem not much aware that also the rate in which money changes hands also affects the inflation rate. Turnover time could be sped up if due to a devaluation, which frequently occurs in Argentina, people start spending their money instead of saving them, increasing ones *consumption propensity*, this can lead to an increase in the inflation. Jorge told me that his father immediately got up from his chair, screaming in front of the television: “we have to buy things!” upon hearing about a devaluation in January 2014. A mere change of numbers, signalling the reduction in the exchange value of the peso compared to the dollar, apparently could trigger a response where keeping pesos were abandoned in favour of buying “things”, commodities which presumably has a more stable value. The increase in the exchange rate of the *dolar blue* around the time of the devaluation could also be interpreted as a need to acquire an alternative currency, also leading to increased turnover. The latent value in the peso, realized in the exchange of goods, drops during devaluation and it is therefore necessary to get rid of it before further reductions in value occurs.

Chapter 5: The Battle of the Numbers

With the abolition of the gold standard, the currencies of the world no longer have a valuable metal against to measure its worth. By not having a tangible link to precious metals or any commodity, David Harvey claims that money has been "dematerialized" (Harvey, 1990, p. 297), it has become what David Graeber (2011), among others, labels "fiat money", backed only by public trust (p. 53). Interestingly, Simmel foresaw this development when he wrote that the detachment of money from any substantial value that would limit its quantity would eventually be the outcome (Simmel, 1978[1900], p. 176). During my fieldwork, the instability of the peso's value was demonstrated in the numbers denoting its different expressions. A common parameter of establishing value was by comparing it to the US dollar, with the black market and blue market rates functioning as two different value expressions. Buying dollars on the black market helped reduce some of the uncertainty regarding the establishment of economic value (often expressed in purchasing power and dollar exchange value), but as I earlier demonstrated, the fear of devaluation is replaced by a heightened fear of robberies when black market dollars are stored in the house. In the following part I will focus on the numbers that convey information about the inflation. These statistics are supposed to measure the development of purchasing power over time, but this is a number that is conflicted in Argentina, as different sources publish diverging information. "Fiat money" thus makes the quantification of the value of the peso a question of *what* number people should put their faith in.

A forced divergence of truth

The INDEC, the Institute of National Statistics and Census, is the institution responsible for gathering sociodemographic data in Argentina, and they also publish reports on the inflation. After the INDEC published a press release on the 5th of February 2007, stating that the benchmark Consumer Price Index of Capital Federal and Greater Buenos Aires was subjected to a 1,1% increase in relation to the previous month, the institute has been in the centre of a political, legal, and methodological controversy (Lury & Gross, 2014, p. 259). This was after a period where statisticians were dismissed from the institute, and replaced by others more aligned with the government (ibid.: 260). Since then, there has been doubts concerning the validity of the statistics emanating from the INDEC (Lindeboim & Beker, 2013) and alternative sources of information have surfaced. In the period after this intervention, the

media, and my informants as well, have started to wonder if the government is underreporting the inflation. The newspaper *La Nación* noted that according to the INDEC, the inflation in Argentina was 10,9% in 2013, but private consultancies estimated that the inflation was 28,3% (*La Nación*, 2014). For 2014, the inflation reported by the INDEC was 23,9%, a much higher number than the year before, but still lower than what the private consultancies reported for the same period, as they reported a statistic of 38,5% (*La Nación*, 2015). After the intervention, private institutions and provincial governments published estimates that were inconsistent with the INDEC, and in 2011 a lot of them received official letters imposing large fines, and were threatened with legal action if the publication of numbers continued (Cavallo, 2012, p. 7). Graciela Bevacquas' story also illustrates this attempt to control the statistics. She was fired from her position as chief statistician at the INDEC in January 2007, but continued to publish inflation statistics, and a week after her dismissal, she published an inflation estimate of 1.9 % (Raszewski, 2011). The government has continued pursuing independent publishers, and Bevacquas found herself in the crossfire of the battle of these numbers in 2011, when she was fined with 500.000 pesos for publishing alternative statistics (*Clarín*, 2011). She nevertheless continued to publish inflation statistics, and in 2014 she estimated an inflation of 38,7% (*Clarín*, 2015). This indicates the attempt to maintain control over the information regarding the projected purchasing power of the peso. The intervention signalled the beginning of a period that persisted into the months of my fieldwork, where people did not quite trust the validity of the statistics coming from the public institute. On *Clarín's* webpage, news about the inflation was being published daily. The search term "inflacion" during the time period of 2014 resulted in 3058 hits²⁶. The frequency of articles and extent of coverage in the news – almost ten times a day – indicates the thorough monitoring of the inflation, and the potential amount of articles that could be accessed from computers and smartphones. These numbers, are used to evaluate the potential increases in the costs of living and are seen as representations of the changes in the purchasing power of the peso. The numbers measuring the inflation are then compared to what people see on the receipts, as the numbers of the baskets of things that are purchased in the supermarket permits a comparison that enables a subjective "validity check" of the official numbers. Although they do not claim the same scope of data collection, informants still compared their own receipts in the supermarkets with the inflation statistics. These objects that display the

²⁶ Search for the term "inflacion" in 2014 on *Clarín's* webpage (*Clarín*, 2015): <http://buscador.clarin.com/inflacion?from=01/01/2014and;to=31/12/2014> (Accessed: 14.6.2014)

numbers and prices could thus be said to function as cognitive artifacts: "a physical structure which helps humans perform some cognitive operation" (D'Andrade, 1995, p. 210). According to the theory of connectionist networks in learning, these physical structures form the mental structures that develops in the mind (ibid.: 146). The cognitive aspects regarding the value of money are also captured by Simmel when he claims that "money by its very nature becomes the most perfect representative of a cognitive tendency in modern science as a whole: the reduction of qualitative determinations to quantitative ones" (Simmel, 1978[1900], p. 298). The qualitative determinations possibly meaning what could be purchased for money is reduced to a size that is in turn measured quantitatively. When the "physical structures" that the INDEC's statistics compose are contradicted by the numbers on the receipts as well as the private consultancies, this forms a conflict regarding the price increases employed to calculate the costs of living, again influencing wage negotiations. As small facts sometimes speak of large issues, numbers on computer screens and receipts that are measured against each other are employed for political measures. An example from the fieldwork is illustrating in this context: My landlady Constansa stayed at home for a few days during a teachers strike in February 2014, when the teachers union was demanding a wage increase of 35% (Clarín, 2014). This demand was closer to the unofficial statistics, than the ones of the government, and the negotiations were thus more in line with numbers outside of government control. The teachers were also on strike in 2013. This conflict ended in a wage increase of 30,3% (Jueguen, La Nacion, 2013). I see no other explanation than that this number was decided on the basis of the reported unofficial inflation from that year. A wage increase of this magnitude does not make sense if the union calculated their demand on the basis of the official numbers. We see that statistical or numerical artifacts can instigate action resulting in political demands. Bourdieu (1994) writes of cognitive structures, which I perceive as being the subjectively experienced interpretations of physical structures, that they enable submission (pp. 12-13). What we see in the Argentine example is disobedience to the public numbers, as these do not shape the demands of the unions. The unions and the teachers do not submit to the physical or cognitive structures of the official statistics.

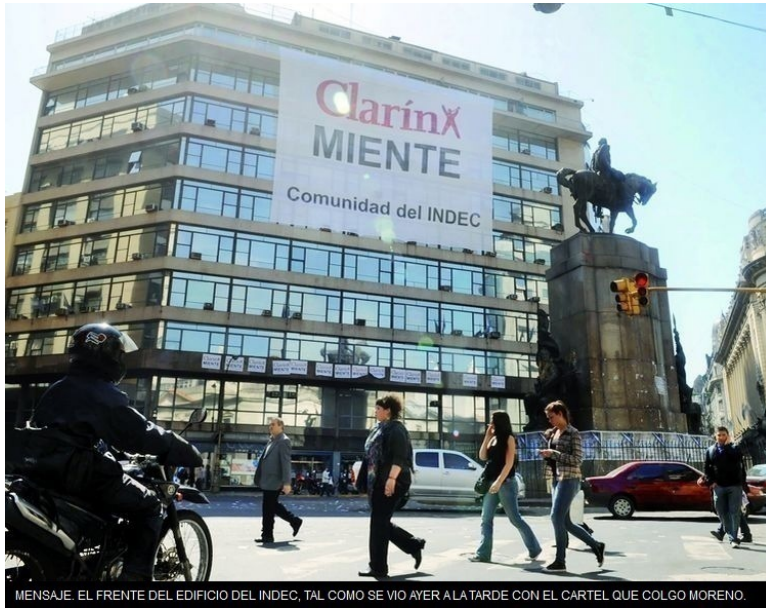
The numbers emanating from the INDEC and its discrepancies with the numbers of the independent consultancies, as well as the two different exchange rates of the currency, could be seen to induce a form of "cognitive dissonance" (Cooper, 2007), influencing people's perceptions of whether price increases should be conceived according to what the government claims. Joel Cooper claims that this phenomenon emerges in the human cognition when "people believe that two of their psychological representations are inconcistent with

each other” (ibid.: 6). This phenomenon is experienced as uncomfortable tension with a ”drive-like property that must be reduced” (ibid.: 7). When confronted with two different versions of numbers representing the development of the peso’s purchasing power, the response is often disbelief. Where Simmel writes that money ”imparts an otherwise unattainable transparency and calculability to the contents of life, at least as regards their practical management” (Simmel, 1978[1900], p. 482), the conflicting value expressions problematizes this transparency, because the purchasing power of the peso over time could not be established in a manner that provided confidence in my informants. A common way of reestablishing consistency in the conflicting claims was choosing not to believe the INDEC.

“It’s a lie”

I would often ask people I met whether they thought the statistics published by the INDEC were correct. By reading newspapers such as Clarín, La Nacion and Pagina12, I got the impression that information about the inflation was continuously contested and contradicted by other sources of information than what the governmentally aligned INDEC provided. At times, this resulted in contempt for the politicians. The INDECs credibility among several of my informants was relatively low. Of the people I asked, few said that the statistics coming out of this institution were correct.

The newspapers La Nacion and Clarín published information from the INDEC, as well as from the private auditors. This struggle to establish the validity of the numbers is in turn countered by the INDEC, who maintain that the newspapers lie. And the most important newspaper to target is the biggest: Clarín. At times, the INDEC flags its critique explicitly in front of its office buildings, as seen in picture 5.1, depicting a four-story banner saying “Clarín Lies”. On one occasion I was in the reception area of the INDEC building, and in the hallway I noticed A3-sized posters taped to the walls, portraying the depicted message to all visitors entering its offices.



Picture 5.1: The INDEC, Instituto Nacional de Estadísticas y Censos, with a banner saying “Clarín lies” (image sendt to me on E-mail from Sophia).

Earlier I have noted the term “Clarín mente”, and Sophia, the economy student, told me that this is where the proverb originated, from the INDEC’s attempt at discrediting the newspaper. In an e-mail dated March 10, 2014, she wrote to me explaining the situation:

In 2007 [INDEC] was intervened by Government, particularly by the Secretary of Commerce, Guillermo Moreno. Since then, IPC, *Indice de Precios al Consumidor* [Consumer Price Index], was published with a lower value than it should be. But nobody believes in that index, because it isn't trustworthy. Many people were removed from their jobs at INDEC and other employees became bosses, aligned with Moreno and the Government. The trade union at INDEC is very loyal to government, so they put that flag in front of the building to show support to Cristina and against Clarín. For me, that's a stupid institutional behavior. I think any statistical institute is supposed to be impartial respect any government, but it doesn't happen here in Argentina.

She claimed that 2007 marked the beginning of the era of manipulating statistics, during the era of Guillermo Moreno. She thinks that the intervention marks an extension in the government’s sphere of influence into the institution that is supposed to monitor the performance of the economy. On a later occasion I decided to pick up on the subject again, and the mere mentioning of the institution made her start laughing:

No, I’m sorry, I think that it’s a lie. Now, in January, maybe they said the truth, but they approximate the truth or something like that, no it was a lie. I mean, if you say that the inflation a year is twelve percent, and you have a lot of private consultancies, and they say its twenty five percent. You could think that, it’s not twelve, maybe it’s not twenty five, but...it’s something in between, and not fifteen, I

don't know, at least twenty, you know. And because, the problem with the inflation is that you use the price index to estimate the GDP. You use a lower index price, the GDP goes higher.

According to Sophia, the truth is somewhere in between the public and private statistics, even though the INDEC is, as she says, lying, the private ones are not telling the whole truth either. This way, she has to mediate between two different representations of the inflation index, and chooses some middle ground between the two reference points. She furthermore claims that the inflation statistics is connected to the reporting of the GDP, and indeed, the calculation of a credible GDP needs methods to correct for inflation, these are called GDP deflators (Fioramonti, 2014, p. 13), and the discrepancy between inflation statistics also affects reporting of the real GDP for Argentina. As the GDP "conflate the amount of spending for goods and services into one single number" (ibid.: 12), it has become the single most important measurement of economic performance, and reporting of inflation statistics also biases this number.

The interview with Leandro, the taxi driver, also touched upon trust in the statistics:

We have two inflations in Argentina, two indexes. For example last year [2013] the official index, the index of the government, the state, was four percent, five percent. But the real index, the real inflation, that they give us in the supermarket, or if we consider the way the wages were augmented, was twenty eight percent. So we have two indexes, the official, that is lying about four percent, and the real one that is twenty eight percent. So the real index is an annual inflation of twenty eight percent a year. According to these calculations we will end up with thirty five percent this year. These numbers are totally false. They are protected by the government.

If we compare Leandros statements with what was written in the newspapers during the period, he claimed that the INDEC's number for the inflation in 2013 was lower than what La Nacion communicated. However, his statement about the independent consultancies was more in line with what was written in the newspaper.

Leandro's interpretation of the "real inflation" was the one that was published by the independent auditors, but apparently this term fluctuated as to what kinds of products one used as a basis for calculation. The products in the category of *Canasta Básica de Alimentos*, or prices of basic foodstuffs (that among other things claimed to include bread, beef, vegetables, fruits, pasta and dairy products), were said to be subjected to a price increase that was even higher than the average inflation figures, as Bevacqua's calculations approximated an increase of 43,1%, meanwhile the INDEC claimed that these increased at a rate of 7,4% (Bermúdez, 2014). This category is important to the marginalized in society, as a bigger portion of their income goes to purchasing these products. The apparent divergence between

the governmental and private statistics on inflation of basic foodprices could indicate that the subjectively experienced "falseness" of the numbers would be bigger if one used foodprices as a basis of comparison. During our interview he and his wife supplemented each other in talking about this, but Florencia claimed that truth could not be found in the official nor the unofficial statistics.

One has the thermometre of the street, but in reality we do not have any real numbers. We only have the numbers of the government, and those are not the truth, they are much lower than reality, in everything, not only on inflation, in all the indexes. The poverty index, the employment indexes, in everything they are lying. And the private ones too, they are on the other hand exaggerating the situation. So, finally, if one listen to all the voices, and then go from there to the conclusion...we don't have data that can give us peace.

Florencia compares the index to a thermometre, and one of the functions of the INDEC is to function as a provider of data with valid measurements regarding the performance of the national economy, so that people can establish confident economic indicators. Theodore Porter reminds us that "it is scarcely possible to imagine an economy of markets and trading without prices and measures, and hence without extensive quantification" (Porter, 1995, p. 23), but these measurements are doubted by Florencia, as well as many other informants, as the influence of the government induces doubts about the objectivity of the numbers. It is a paradox that the Latin etymology of validity is "power" (ibid.: p. 33), when the influence of state exercised power has undermined the validity of its own measurements of performance. This gives rise to a lack of confidence, reflected in these statements. Florencia also maintain that the poverty index display false numbers. The CPI indicates the average change in prices of a basket of consumer goods and services for purposes of consumption by a representative average of households of a specific geographical territory (Lury & Gross, 2014, p. 261), and misleading statistics regarding the CPI affect statistics of poverty through what Berumen & Beker (2011) calls a "contamination" of the other indicators (p. 9). As the reporting of the CPI from the INDEC is lower than the alternative numbers, statistics concerning the amount of poor people in Argentina might be misleading. Calculations from The Billion Prices Project, which we will later acquaint, estimated that the population in extreme poverty in 2011 was 6,69% compared to the official estimates of 2,5%. Poverty estimates were also higher, with 25.9% using BPP numbers, compared to the INDEC's 9,9% (Cavallo, 2012, p. 2). In the second half of 2013, the government hid the poverty statistics, but a group of technicians that were formerly employed at the INDEC published poverty statistics claiming that the amount of poor people in Argentina reached 36,5% in 2014 (Jueguen, La Nacion, 2014). The

methodological stringency of these numbers are not established, but the publications of numbers claiming objectivity of measurement nevertheless reveal uncertainties regarding the performance of the government.

During my interview with Jorge, the dollar trader, I also asked him of these questions, he claimed that it was impossible to establish how big the inflation was:

The range of the inflation, they...lie. They say there is one inflation...I really now, I don't see, I don't know really how is the...because something that I don't follow, because, if you follow, you get crazy, because information, information...the government they say the inflation is two percent a month and the opposition say 'no, the inflation is three point two percent a month'. So, we don't know, and no one knows. Perhaps I go to some place and buy a coca [cola], and they, I pay it in ten pesos, I go to another place and I pay it eleven, so the price is not the price, in inflation I think you can measure but, the supermarket they have a price, and when you go there they charge you ten cents more and you don't see it.

His confusion is apparent from the way he articulates the subject, in short sentences, jumping from one subject to another, and in his claims that you "go crazy" if you follow the inflation statistic. This might have something to do with the diverging sources of information I have described. The responses by my informants demonstrate that there does not exist an established valid statistic that is internalized as the "true value" of the exchange relation over time. The overload of the subjective cognitive processing capacities regarding the diverging statistics was something that caused a lot of emotional strain, as was apparent in the way he was clearly stressed when he tried to explain his views on the statistics to me. D'Andrade (1995) claims that a limit in our short term memory acts as a type of bottleneck, as it can hold only a limited amount of discriminations at a time. This in turn acts like a sort of funnel through which impressions enter our seemingly unlimited long term memory (p. 44). The amount of divergent numbers to make sense of puts a load on this short term memory, and the result in Jorge's case was stress and confusion.

Jorge also claims that there are differences between what the government and the opposition holds to be the valid statistic. According to him, the establishment of the validity of inflation statistics could be used as a political tool to discredit the seated government. This refers to an initiative where the private consultancies came together in 2011, and published their statistics in the Congress, to avoid the fines that could be imposed on them if they had communicated the statistics publicly (Lury & Gross, 2014), as was indeed the case when independent consultancies were punished after the intervention. This political struggle of validity is presupposed by processes of what D'Andrade calls "chunking" (D'Andrade, 1995,

p. 44), as big amounts of products are gathered in a "basket" where its price increases are indexed. Indexes are furthermore involved in acts of "entification" (Larsen, 2009), as the measuring of these products are involved in a process where the validity of the statistics is being used for political purposes to question the performance of the government and its claim to speak the truth. Modern bureaucracies are dependent on a credible flow of information to ensure proper "cognitive division of labour" (D'Andrade, 1995, p. 208), and the conflicts regarding the inflation statistics demonstrate the friction that occurs when this process is intervened. Conclusively, Jorge claims that, "the price is not the price", as supermarkets could charge ten cents more for a coca cola without a person noticing the price increase. The instability of the peso in its price setting capacities as money used to quantify value, was indicated in what Jorge said. This is indeed a questioning of the "referentiality of price as an indicator" (Lury & Gross, 2014, p. 260).

I also discussed the topic with Nani, who also claimed that the statistics were manipulated. As many other informants, she also claimed that the price statistics started to change under secretary of interior commerce, Guillermo Moreno in 2007, and that she views the numbers with distrust.

In 2007 there was an intervention in the INDEC by Moreno who was the minister in the economic ministry. What he did was to put a gang of people in the offices of the INDEC and discharge all the personnel, regulate the way the statistics had been produced for the last twenty years, and change the methodology of the statistics to relieve the consumer prices, and the prices in the supermarkets. It started to lie, the index, and to be used for bad purposes, because the index is related to the payment of the external debt, to the calculations of the yield. It is also a matter of not showing how many people that are affected by the price increases, it has a political purpose. Last year, the government admitted to having manipulated the indexes, but this new minister Kicilloff²⁷, supposedly made them better, the indexes, they said, now, but it is very odd. The private ones are talking about 25 percent in 2014, and the public one says half. It's bad this, they manipulate this number so that the people...don't do something bad. I think.

The numbers are ascribed with agency, as Nani says that the statistics started to lie. However, she is well aware of the processes behind the production of these numbers, as she claims that it was intervention by public officials that caused the disinformation to start spreading. Moreover, Nani claims that the inflation measurement is used for "bad purposes", as the calculations of the yield of the national debt is affected by the level of inflation. The period leading up to the beginning of the intervention of the INDEC was anticipated by an increase

²⁷ The Argentine Minister of Economy during the fieldwork.

in the issuing of inflation adjusted peso denominated bonds which were issued in large quantities from 2002-2004. In this period these bonds payed 2% plus an adjustment for inflation. These bonds amounted to 40% of the Argentine national debt in 2005-2006 (Porzecanski, 2010, p. 11). To reduce the yield that the government had to pay on these bonds, it was in their interest to report an inflation index as low as possible. The result of these price manipulations is an increased sense of distrust towards the government among my informants. Moreover, the manipulations of statistics are also damaging to Argentina's credibility as perceived by the IMF, and in their publication "World Economic Outlook" of 2014, the real GDP and Consumer Price Index of Argentina is supplemented by a footnote explaining that the reliability of the data were questionable. The Argentine CPI was excluded from the publication in 2014 (IMF, 2014, p. 58), and 2015 (IMF, 2015, p. 58). As well as loosing confidence from below, as my interviews demonstrate, trust in validity of Argentine national statistics is also being questioned by supranational entities such as the IMF.

Although the price manipulations might have been affected by incentives to reduce interest payments and securing access to dollars, investors lost interest of these bonds after a while, and bonds with free floating interest rates took their place (Porzecanski, 2010, p. 11). Nevertheless, it appears that the statistics from the INDEC continue to diverge from alternative sources of information, and this is one of the reasons why my informants display a lack of confidence in the government. However, after pressures from the IMF (Pallares, 2014), the Economic Ministry undertook measures to improve the quality of the statistics during my fieldwork. But the majority of my informants still displayed a lack of confidence in these numbers. Media coverage from Clarín also claimed that "the New CPI is an advancement, but the INDEC still lies" (Clarín, 2014). The increases in costs of living have grave implications on the planning of household expenses and wage negotiations, among other things. An approximation as close as possible to the true inflation is paramount for planning the trajectory of one's economic future.

The INDEC was also criticized by its former employees, and among the frequent statements by the INDEC, one in particular formed basis of much controversy when a press release in 2012 claimed that: "One person could eat for 6 pesos per day" (Beker, 2012). The observable prices, on the other hand, diverged from this statement, leading people to claim that this was impossible. Victor Beker – who interestingly is a former employee at the INDEC as he used to be the institution's director of economic statistics – writes in Clarín: "this puts in black and white the sultry levels of manipulation that this agency has reached" (ibid.). To make sense of the difference between what the INDEC says, and observations that might

contest the truthfulness of these statements, Porteños resort to jokes, such as this one that Jorge told me:

About one year ago, they say that in Argentina there is no inflation, they say it in your face, like this...the government, they lie with the statistics... There is a joke: If you go to eat, to the government of economics, you can eat for six pesos. That's the lie, you are kidding me...so that's the lie, the perfect lie I can tell you is that if you go to the buffet, of the government, they charge you six pesos, you eat a chicken with french fries.

Jorge claims that the only place one could get a dinner for six pesos, is in the “government of economics.” I take this to be a term involving the governmental agencies responsible for information regarding economic affairs, among them the INDEC. The joke informs us of the distrust towards this institution after the intervention. This is demonstrated in the conflict between the price levels that people observe, and what they are told by the INDEC. The function of the joke then, is to bring the claims together, and reduce the uncomfortable tension by claiming that the only place a meal could be had for 6 pesos, must be at the places where they publish the statistics.

The incidents outlined, and the statements from my informants, indicate that the statistics from the INDEC fail to produce the “social hegemony”, that is “the ‘spontaneous consent’ given by the great masses of the population to the general direction imposed on social life by the dominant fundamental group” (Gramsci, 2003, p. 12). As the informants do not seem to believe the validity of the numbers, which could influence their claims on wage increases later on. The disbelief concerning the numbers will nevertheless have an influence on their satisfactions with their paycheck, as the increases in wages after negotiations will be measured against what kind of statistic that people believe in. Moreover, despite the attempt to “enforce discipline on those groups who do not ‘consent’, either actively or passively” (ibid.) as demonstrated by the fining of the independent consultancies, the contesting numbers continue to emanate, and the informants avoid consenting. It appears that governmental hegemony fails to establish. As we will now see, the basis of trust regarding the purchasing power of the peso is also historically situated, as periods of Argentine history bear testament of value fluctuations due to government policies.

Pizza and champagne

The period after the intervention is not the first time that the government have attempted to display a peso with an artificially high purchasing power and beneficial exchange rate towards the dollar. In Argentina the relationship with the dollar is of historical importance

because of the exchange regime in the nineties pegging the peso to the dollar in a one-to-one relationship. This is remembered as the days of “pizza and champagne”, when the purchasing power of the peso was increased because of an artificially high exchange rate. I frequently heard references to this period, and I recall one situation in particular: We had just finished watching the semi-finals in the world cup where Argentina had just beaten The Netherlands. As we were smalltalking after the game, a man in the group said they were going to get a pizza before the party, as this was a Saturday night. The father in the house responded: “I think I am going for pizza and champagne”, a comment that spontaneously provoked laughter in the group. They immediately knew what he was talking about: the convertibility regime in the nineties, with conspicuous consumption due to cheaper imports. The ambivalence to the joke, as well as its heritage, rests in the “high” and the “low” which is mentioned in the same proverb. Pizza, a dish traditionally associated with the Italian working class, was introduced with the influx of Neapolitean workers in the beginning of the 20th century. Champagne has become a wine which is established as the alcoholic beverage of the upper class to such an extent that it does not need any further explanation. This saying, linking working- and upper class in one sentence, the ordinary with *nouveau riche* glamour, signalled the strong, albeit temporary, international purchasing power of the peso in the period. It seems to me that “pizza and champagne” includes all the memories that people have regarding the lifestyle that increased purchasing power provides. Sophia told me her own experiences about how her family spent money. They went to Rome and Bosnia, she said ” ...it was just a short trip, one week, one week, but ah, we, we were five [persons], my father and my mother could pay the hotel and everything, all the trips, we could pay all the plane rides, the hotel, and to go to restaurants, we had a lot of money.” She also told me that she and her sister had taken horsebackriding classes, which was something the family could no longer afford. Her youngest sister, born in 1999, could no longer be raised by the same economic standards. "For example my little sister is fourteen, she was born in 1999, and no, she couldn't go to any country in Europe, or something like that, she couldn't do, horse riding, no, many things we could do she...she can't."

Where Sophia referred to the activities of leisure that the family could enjoy, Gustavo had a more modest basis for comparison, where the purchasing power of the peso was compared to how much food people could buy before, as compared to the more present day. “I remember with twenty pesos a family complete could get food from a restaurant, yeah, twenty pesos was like three pizzas, two chickens, one coke, two litres, twenty pesos. And now with

twenty pesos you get two *alfajores*²⁸!” The purchasing power of the peso had been reduced to the extent that twenty pesos, that could buy a whole meal in the nineties, was now merely worth two small cookies.

On another occasion, I was sitting in the back seat of a car in the countryside outside of Buenos Aires, when we passed a big concrete building. In big, blue, worn out letters, was written on the walls: “Pizza & Cerveza 3.50” communicating that pizzas and beer were once sold here for 3.50 pesos. The driver immediately stopped the car and asked if we could photograph the paintings on the wall, as this was important to document. It was a relic from the days when one could get more food for the peso, and I am tempted to believe that this must be a remnant from the convertibility regime, of “pizza and champagne”.



Picture 5.2: An abandoned fortress with graffiti, proclaiming “Pizza and beer 3.50” (Photo: Leon Aahave Uhd).

The anecdotes I have listed are only a few, and I am sure that most Argentines have similar stories to tell. Numbers measuring the value of the peso is a part of the collective narrative in Argentina. A number with historical importance, the history of the peso with its situations and proverbs that my informants told me, represent their relationship with epochs in the political and economical history of the country. It seems that these stories are examples of Keith Hart’s observation when he claims that:

The meaning of money is what each of us makes of it. It is a symbol of our relationship, as an individual person, to the community [...] to which we belong. This relationship may be conceived of as a durable ground on which to stand, anchoring identity in a collective memory whose concrete symbol

²⁸ Traditional confection consisting of two cookies with caramel filling in between.

is money” (Hart, 2000, p. 263).

The big mac

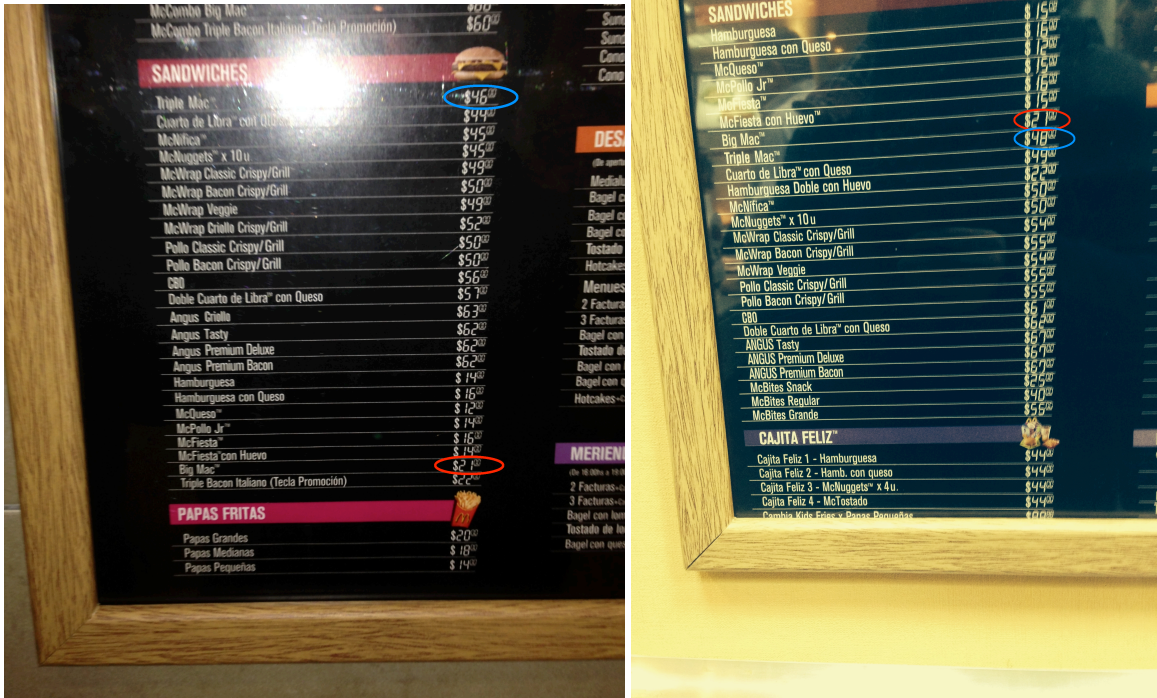
During my fieldwork, the big mac hamburger in McDonald’s had a price that apparently was fixed at 21 pesos, although the other prices on their list of products apparently rose. This indicates that the product is subject to manipulations because of the propagation and the supposed influence of the magazine *The Economist’s* “big mac index”, which is, according to the magazine: “a fast, cheap way of measuring purchasing power parity across borders” (The Economist, 2014). Although the index has been criticized for its failure to include the nontradable elements of production such as labour, rent and electricity (Yang, 2004), it has also been found to rather accurately track exchange rates in the long term (Ong, 1997). In a Norwegian textbook on macroeconomics it also exemplifies calculations of real exchange rates (Steigum, 2004, pp. 76-77). Our goal is not to venture into methodological scrutiny of the big mac index, but merely to establish that as the index manifests itself as a standard, and a source of information for readers of The Economist, measures are taken to freeze the price of the big mac, thus making it seem that inflation, and in turn the real exchange rate, is lower than it really is. The price of the big mac is a subject for discussions regarding the objectivity of the numbers published by the government, the Argentine population’s confidence in statistics, and the institute responsible for their distribution.

In 2011, The New York Times published an article about the big mac in Argentine McDonald’s restaurants, remarking the differences in prices between it and the rest of the products sold at McDonald’s. Daniel Politi wrote: “At 20 pesos, the individual big mac is at least 4.50 pesos cheaper than the list price of comparable options” (Politi, 2011). The writer claimed that Cristina Kirchner’s government was manipulating the price on the big mac hamburger to maintain a lower dollar price on the index.

When I bought it on the 22nd of March, a big mac costed 21 pesos. According to The Economist’s list of big macs globally, the price of a big mac in Argentina as of July 2014 was also 21 pesos²⁹. This also corresponded to the price during a visit at McDonald’s 14th of July 2014 in Buenos Aires. Compared to the other hamburgers available at McDonald’s, it was much cheaper, and the price increases that were apparent in the other burgers, did not occur for the big mac. I photographed the price list at McDonald’s in *Calle Florida* in March, and took a picture of another in a part of the city called Almagro three months later (picture 5.3).

²⁹ The prices of the big mac in countries all over the world are available on: <http://www.economist.com/content/big-mac-index> (Accessed July 14, 2015).

Although they are not taken in the same branch, the pictures still illustrate that the price of the big mac hamburger is subjected to manipulations. The picture to the left is taken March 22th and the one on the right is from July 15th. The price of the big mac is marked in red, while the price of the triple mac, the same burger with one extra piece of meat, is marked in blue. Despite their minor differences, the triple mac is more than twice as expensive, costing 46 pesos in March. Also, the price of this hamburger increased two pesos between the visits, into 48 pesos in July.



Picture 5.3: The price lists of McDonald's on March 22th (left), and July 14th (right) (Photographs taken by the author).

The big mac index has grown from a magazine idea, into an index included in economic textbooks that apparently also politicians see as a number signalling economic stability, and hence convenient to manipulate. The index is artificially stabilized because it demonstrates an index measuring Argentina's purchasing power and real exchange rate. The big mac is gathered in a table on The Economist's webpage (Figure 5.1), with the price of the big mac displayed, even though its number appears to be incorrect. Moreover, the numbers displayed on the webpage of the big mac index (The Economist, 2015) show that the price increased from 7 pesos in the beginning of 2010, to 20 pesos in mid 2011, a substantial increase, but since then the price has oscillated between 19 and 21 pesos until 2014. The stable prices indicate that manipulations have taken place since the beginning of 2010.

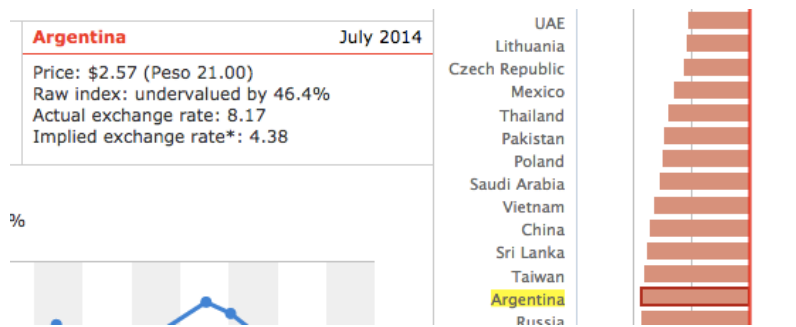


Figure 5.1: The Display of the big mac index and its entry for Argentina (Retrieved July 14, 2014).

As we see that the index operates with the official currency denomination, this distorts the information that is conveyed by the index, as the comparison between the *dolar blue*, and the *dolar oficial*, makes people suspect that the peso is overvalued, interpreting the high dollar prices on the black market as a sign that even further devaluations are forthcoming. Leandro Sanchez was well aware of the manipulation of the big mac. Previously in this text I have mentioned the phrase *hecha la ley*, *hecha la trampa*, and when I asked Leandro about this price manipulation, the saying surfaced again, as a circumvention of the law also applied to this price index.

It's curious, because it's the only menu at McDonald's that is obliged by the government to have a lower price. It is cheaper to buy the big mac than any other menu. This big mac is a global index that says that the situation in Argentina is optimal. This is *hecha la ley*, *hecha la trampa*, the law says that the big mac has to cost a certain amount of money, and the trap is that they are lying, that this index is on a good international level, in the eyes of the other countries. The government requires that it's like this. It is thirty or forty percent cheaper. They are lying because they want to be given international credit, to attract investments. It's a screen, a shell, it's like an egg that is beautiful on the outside, but on the inside it is rotten.

Leandro remarks the relationship between the reporting of the numbers and international credit ratings institutions. Statistics measuring economic performance are used to rate bonds, and although ratings bureaus might not necessarily use the big mac index as a source of information when evaluating risk, the quote still tells us of the informants' lack of faith in statistics, and credible reporting of the state of their economy. However, we will now see that not all perceive the numbers in the same way.

An attempt at maintaining confidence

The Buenos Aires stock exchange, *El Bolsa Comercio*, is located in Calle Reconquista two blocks east from Calle Florida and the *cuevas*. I had befriended Alan Gutierrez, a Porteño

who happened to work there, and he was willing to introduce me to a friend of his, Nicolas, who was also employed in the stock exchange. In addition to this, they also ran a consultancy together, publishing analyses of the economic situation in Argentina. The reception area of the *'bolsa* was guarded with security personnel and metal detectors, but with Alan as my reference, I was allowed to enter. The three of us sat down in the entrance hall and conducted the interview on the marble tiled floor under the stock market table showing numbers in red and green, designating the developments of the rates of stocks and bonds that were traded on the floors. The interviews during the majority of my fieldwork had demonstrated that on the whole, people did not seem to trust the INDEC. However, in the interview in the stock exchange, the two brokers had a friendlier perception regarding the institution. The following dialogue demonstrates that Nicolas' perception were sympathetic to the INDEC, he said:

- The people today are horrified by the supposed 30 percent annual inflation, by the magical numbers from the congress, or the magical numbers of the private consultancies.
- *Do you trust the statistics of the INDEC?*³⁰
- Personally, yes, totally. And from a point of view informationally, in [our consultancy]³¹, we have a pattern of respecting the rules, the numbers of the INDEC. What is the alternative, of the INDEC?
- *The private consultancies.*
- Yes, the private consultancies, who makes a test of four, five supermarkets in Recoleta and Palermo and then makes an index. You see, the INDEC is a public agency with national presence, in every corner of Argentina. The reality is not necessarily the one of Capital Federal, in El Interior there are other realities in many aspects, but in respect of the numbers of the INDEC, personally I respect them, and we treat them and write our intelligence in respect of these figures.

When Nicolas claims that the numbers coming from the congress and the private consultancies are "magical", I take this to be an attempt to discredit the inflation as it was reported by the private consultancies as they were published in the congress. We may be well advised to invoke Max Weber's well known dictum that a prevalent feature of modernity is that standardization and objective instrumentality drives the "magic" out of phenomena (Larsen, 2009, p. 361). When Nicolas' attempts to reintroduce magic into alternative sources of measurement and indexation, he refers them to the landscape of pre-modernized obscurity, where causality and instrumentality is not rigorously tested by scientific standards. Upon invoking magic he invalidates the private consultancies claims of objectivity. When I asked him if he trusts the numbers of the INDEC, he replied that he "respects the rules", referring to

³⁰ The author's sentences are in cursive.

³¹ Nicolas said the name of their consultancy, but to anonymize the informants, I chose not to include it in this text.

governmental authority to establish legitimacy over the codes of conduct regarding which numbers to trust, and that he uses the official statistics in his economic analyses. During our interviews they also presented me with the yearbook of the Bolsa Comercio, where the source of price indexes used the INDEC as a source. In the report, indexes oscillated between the 10,9% of the consumer price index, and the 20,9% of the indexes of construction costs (Bolsa de Comercio de Buenos Aires, 2014, p. 17). The official perception of the stock market in Buenos Aires is thus to use the INDEC's numbers in their calculations. His attempts of invalidating the unofficial statistics continue when he claims that these institutions only gather statistics in four to five supermarkets in Recoleta and Palermo. As we have noted earlier, these are the parts of Buenos Aires where the wealthiest part of the population lives, and the prices there may not be representative for all of Argentina, or even Buenos Aires. The INDEC on the other hand, is an institute with national presence, and according to Nicolas it is from this geographic extension that it draws its legitimacy. The impression I was left with was therefore that investors consulting the stock exchange for information about investments, would be presented with the official statistics when dealing with its functionaries.

Nicolas also claimed that the battle of the statistics were part of an ideological battle between state intervention and the private sector.

I think that the consultancies are political operators that are not in favour of a country with social inclusion, they are not in favour of this intervention from the government in the private sector, in the markets, it's very ideological. Argentina is in a process of strong ideological battle, there are many sectors that are not in favour of the government intervening in the economy. They are not in favour of the state helping the poorest, it bothers them. These numbers are against the people, and against the government. This is a battle between the free market and state intervention.

As the government was suspected of funding its deficit by increasing the supply of pesos, the subsidies are one of the government's expenses that results in inflation. The subsidies are interventions that keep the prices of, among other things, collective transportation and gas bills down. Nicolas claim that these policies are beneficial for the poorest, and that by publishing numbers that show a different inflation rate than the INDEC's, the private consultancies are actors working against state intervention, and thus against the government helping the poor. The battle of the numbers are being interpreted as an ideological struggle between the free market and the state, where the INDEC and the private consultancies are on either side.

Later in the interview he said that he personally trusted the banks, and that he did not remember if there was a bank run after the subprime crisis in 2008:

Personally, I trust the banks, they are solid, very solid. Here we don't have many bank runs lately. But during the crises in the 90's, yes! The tequila crisis in Mexico in '94, the crises of the Asian tigers in '97, and when Brazil devalued in '98. In every one of these crises, here, they produced bank runs, confusions of the reserves in the banks. But today however, and during the subprime crisis, which was one of the worst crises in the world, if there was a bank run here, I do not remember it.

I earlier noted that bank runs in fact did occur in 2008, and after the closing of Lehmann brothers over 6.5 billion US dollars were withdrawn from Argentine bank accounts. Moreover, 13.3 billion US dollars were withdrawn in the first half of 2009, during the international ramifications of the subprime mortgage crisis, as well as connected to uncertainties regarding the nationalizations of the Pension Funds and the legislative elections during that year. Nicolas do not remember this bank run. The lack of trust due to the instabilities in the bank system demonstrated by my other informants, is not present in the reasonings of the employee at the Buenos Aires stock exchange. The interpretations of the statistics diverge, which makes it hard to compile a coherent narrative of the Argentine Economy from 2007 onwards. A lack of objective measurements on economic and political performance also has ramifications on contemporary social science writing, as scientific findings could more easily be discredited if the numbers turn out to be wrong. The INDEC's data as it is interpreted by the stock exchange are being contradicted by private consultancies, and these partake in a struggle as to what information is correct. But where consultancies within Argentina need geographic proximity to the sources of information, technology brings about possibilities of collecting price information that is not confined by space.

Big Data: A circumvention of the INDEC

After the intervention in 2007, two professors at MIT Cambridge, Roberto Rigobon and Alberto Cavallo, created the Billion Prices Project, an initiative collecting and publishing price indexes from Argentina, among other countries. In figure 5.2 we see the Consumer Price Index of Argentina, as it has developed since 2007. Later on, the differences between the reporting of the inflation, made the differences of the reported Consumer Price Indexes diverge to the extent that the index of the BPP reported the prices as being twice as high as the INDEC in the beginning of January 2014.

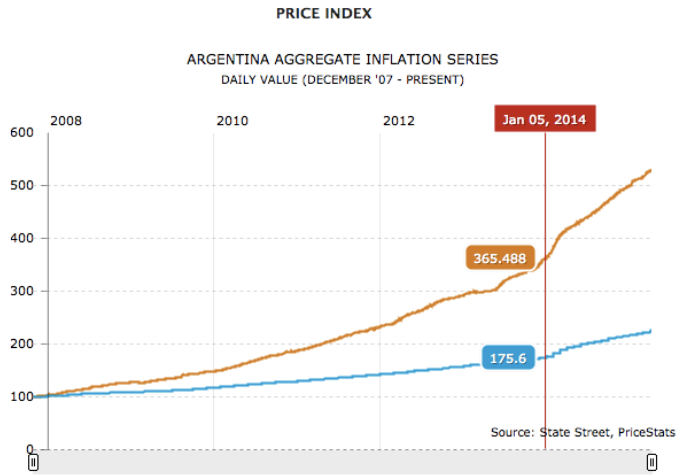


Figure 5.2: The CPI from the Billion Prices Project (orange) and the CPI from the INDEC (The Billion Prices Project, 2015).

The divergence in CPI statistics is related to differences in the reported inflation rates, and this is shown in figure 5.3. The annual inflation reported by The Billion Prices Project at the end of 2013 was 22,84%, and the inflation reported by the INDEC was as earlier indicated: 10,5 percent. BPP thus reported a lower inflation than the private consultancies as quoted in La Nacion, and Graciela Bevacqua as quoted in Clarín.

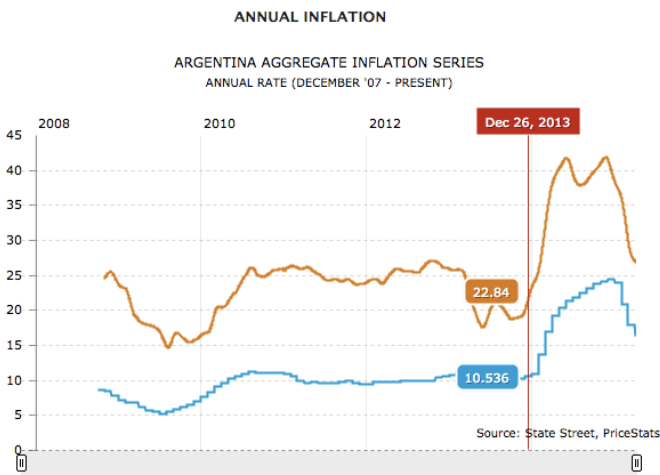


Figure 5.3: Annual inflation as published by the INDEC (blue) and the Billion Prices Project (orange) (The Billion Prices Project, 2015).

Private auditors in Argentina also challenge the validity of the INDEC’s statistics, but the methodology gives The Billion Prices Project an advantage. They use “web scraping” to collect data, a technology that scans the HyperText Markup Language (HTML) of supermarket webpages. The tags in this HTML code are encoded in browsers to give a visual

impression of each web page. The looks of webpages remain relatively stable, but the information within these tags, such as the prices of products, are updated continuously by the supermarkets themselves (Cavallo, 2012, pp. 2-3). This scraping software can be programmed to locate the prices of a large amount of products, and by using this methodology BPP monitored the prices of 5 million items in 2014, sold by around 300 retailers in more than 70 countries. This collection of “big data” is only possible by relying on “scraping” instead of traditional methodology that requires price collectors and questionnaires (Lury & Gross, 2014, p. 272). The Billion Prices Project later developed into a company called PriceStats, distributing these statistics through a partnership with State Street Global Markets, a financial services provider, whose clients are hedge funds, pension funds and sovereign wealth funds, thus demonstrating new possibilities for commercial operations regarding the purchasing power of money, and enabling what might be called the “financialization of inflation” (ibid.: 273). As this information is being used to influence the decision process of certain investment funds, the information provided by PriceStats also threatens the credibility of the representatives from the Buenos Aires stock exchange, in their capacities as its spokesmen in dealing with financial operations. As we remember, they used the INDEC as a basis for conducting their economic analyses. Where the INDEC formerly had a better position regarding collecting and distributing this information, information technology allows collection of large amounts of data without resorting to labour demanding surveys. Scraping the Internet and collecting big data allows for a circumvention of government statistics, invalidating the requirement of geographic proximity in the data collection process. In this context the launch of a new mobile application called Premise is also interesting. This application pays the users for registering and submitting price data into its database (Premise Data, 2015). Premise offers a global inflation monitor and their customers include the news agency Bloomberg (Rao, 2014). Depending on its proliferation, this could be a technological innovation that might contribute to dismantling the monopoly of statistical information on behalf of the INDEC. The governmental institution earlier gained strength from being the only agency with capacity of monitoring prices on this level, thus making it a *statistical panopticon*, in the tradition of Jeremy Bentham’s “all seeing eye” (Foucault, 1977, p. 174). But as more and more people are equipped with technology, an army of independent registrars challenge this position in the way that prices might be subjected to what Røyrvik & Brodersen (2012) terms a “polyopticon” (p. 647), several gazing eyes with their mobile units in hand. This technology allows for user feedback that eventually could further provide a check against which to measure the validity of the INDEC as a provider of information both

for the investors behind the veil frequently referred to as the “financial markets”, as well as informants on the ground in Buenos Aires.

By constructing a new concept and research object called the “fact totem”, Martin de Santos (2009) suggests the statistical imagination as a new area for research (p. 486). The fact totem is a “statistic with high media and public visibility that becomes articulated with central identity narratives of a collectivity” (p. 467). The concept refers to how statistics are understood and disseminated by laypeople (p. 469). The extensive media coverage of the inflation statistic, and my informants concern about its validity demonstrate that this number is contested from various sources. Émile Durkheim (2001[1912]) observed that the totem is the central focal point of a clan and that all things classified are different aspects of the totemic being (p. 118). The inflation statistic could be seen as a central piece of information branching into a wide variety of classifications central also in contemporary Argentina, such as poverty rates, purchasing power and wage negotiations. De Santos (2009, p. 468) claims that the public life of statistics has been largely unstudied social phenomenon, and I consider this chapter a contribution to shedding light upon the reception of statistics from various angles. The confidence in the statistic is a relative size, and this has major implications on a variety of factors in Argentine society.

Bridge: Underreporting of property prices

As demonstrated, projections of the Purchasing Power of the Argentine peso are contested numbers. Some of the insecurities regarding the developments of the currency can be countered by going to the *arbolitos* to acquire dollars, which are in many cases stored within people’s houses, or in some cases, in foreign bank accounts. This exchange of currency allows for an extension in the trajectory of value preservation, and in Gustavo’s case, the goal of acquiring this currency was to buy property. This was also what Ramiro, who we introduced in the beginning, wanted, but the loss of his savings made him aware of the uncertainties of saving money both at home and in the bank. This story tells us something about the trust that is essential for evoking the motivation to save money and acquire an apartment. Property transactions are conducted in dollars, as we remember, but upon acquiring apartments, another example of underreporting of prices occurs. Connor, the former banker, told me that it was common to underreport property prices to avoid taxes. Besides the difficulties this entail in establishing reliable measures of price increases, we also notice why the Argentine government is struggling to collect taxes:

There is a wealth tax here, so every year you pay up to I think one and a quarter percent of your

declared assets, and for that reason the real estate market is a complete mess as well, because typically, when there is a transaction only seventy percent of the price get put on to the contract, and the rest is left to the black market cash transaction, because the bit that goes on to the contract is going to be taxed in the future, so that, this creates all this sort of market for these black market transactions and, and again, that would drive the dollar blue market because people need to find dollars, because all real estate transacts in dollars above a very low level. If they need to get dollars and that's the only way they can do it, they are gonna have to go to the black market.

When underreporting of prices is not uncommon, a further bias is introduced when trying to establish the prices of properties. However, with the unstabilities in the economy, house purchases are still a transaction towards which many aspire, as they represent a safer way to store value than having a banking account. When acquired, the value of houses and apartments could also be continuously improved. Leandro, as we remember, claimed that he "saved money" by remodeling this house. These are strategies to preserve earnings when the value of the peso is uncertain.

Chapter 6: Securing Value

Jorge told me that his father's instant reaction upon hearing about the devaluation in January 2014 was that: "We have to buy things." This devaluation, rapidly termed *la brecha* by the Porteños, translates into "the gap." It was granted this name due to a severe drop in the exchange value of the peso towards the dollar. There was a "breach", or a gap, between the old and the new exchange value. This story illustrates an interesting reflex that explains a way of thinking about economic volatility: When a devaluation occurs, the best way to maximize the inherent value in the national currency is to dispose of pesos and exchange them into something that provides utility. The automatic reaction upon hearing the news about the devaluation in January 2014, was to exchange the peso into things. People are then able to in some ways reduce individual preoccupations concerning exchange values, dollar rates, inflation rates, and all the statistics that in divergent and often conflicting ways are supposed to aid people in predicting a forecast of one's personal economy. Those who can afford to, and are willing to overcome the stress and save long enough to buy property, an apartment, or a house, can achieve more stability. Keith Hart notes that the winners of inflation are those holding real assets with a price that increases faster than the cost of living (Hart, 2000, p. 239). As rent is being paid in pesos, the instabilities of the national currency are transmitted to the rental market, and owning an apartment is therefore preferable to renting, if one can afford it. Short-term price fluctuations can be avoided if one owns the place in which one is living. I was made aware of this when I first moved to Buenos Aires, as I received e-mail when I was about to sign the contract for my first room. The rental agency needed 10% more for the room than what it said in the ad. Online price tags are not updated frequently enough to keep up with the price increases, so surprises like this could appear all of a sudden. The rental market is subjected to fluctuations because of the volatile peso.

Short-term instabilities occur in the rental market, but the property prices are not unaffected by the aggregated trends in the Argentine economy. As sellers demand payment in US dollars, and only 3% of Argentines have access to mortgages, the housing market saw its prices decrease 10,3% in May 2014 compared to 2013 (Global Property Guide, 2015). However, according to the real estate monitoring agency *Reporte Inmobiliario*, the square metre price of apartments in US Dollar on the whole have been seen to rise in Buenos Aires. On the other hand, as the previous chapter shows, the monitoring of prices is conflicted. Moreover, information on whether these prices were nominal or real could not be acquired.

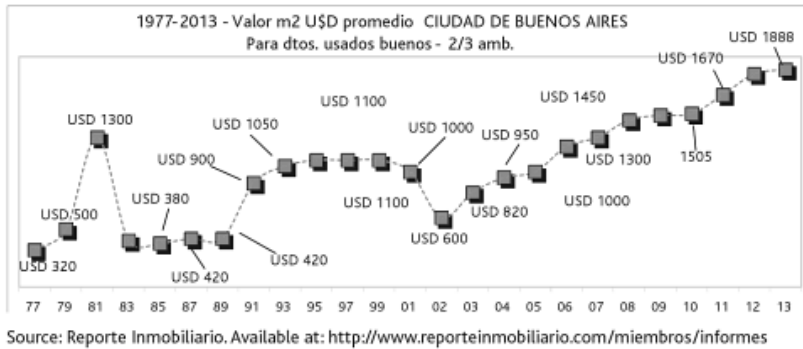


Figure 6.1: Property prices in Buena Aires (US Dollars per square metre) (Herzer & Rodríguez, 2015, p. 207).

The unstable exchange value of the peso, as well as the confiscation of the dollar deposits in 2001, makes people reluctant to save their money in the bank, and as testaments from some of my informants demonstrate, trust in the banking system is low. For those who can afford it, buying property is a better way of storing value. But the totalities of life cannot be reduced into mere exchange value. In Buenos Aires, houses represent much more, and a case I hope will illustrate this point is a story Sophia told me about the insecurity in her neighbourhood:

Our neighbours were robbed while they had guests and were with the children. The guests were going out with the wife, and the husband and children were inside. The guests were walking to the car, and someone approached them, put out a gun and took their things. While this was happening the wife turned around to her husband and said, 'lock the door'. And he did, with the kids in the house, then the *robarones*³² took their things, stole the car and drove of. It's a reflex to say this, you do it without thinking. Now, if you see someone with guns outside the house, people that are going to rob you, you say 'lock the doors'. Just don't let them get inside the house, you know? It's something you do, even, even if the other person that you love is outside, but you don't close the door because you don't love that person, because that, because the person that is outside told you 'close the door', because it's, you have to protect the ones that are inside, something like that, yes, it's a reflex. And I mean, even if you think, I think that when someone enters to your house to rob I think it's terrible because it's like, it's your intimate place, I dont know how to say it, your house, it's your home, your family, no, you! To think that someone is there and can hurt you, I dont know, it's terrible, so I think that is why people prefer to close the door and, if something happens, it's better that it happens outside.

Sophia says in the quote that the house is something that protects the family and the individual. The separation of the house from the outside is important in Buenos Aires, as the safety of the family depends on it, but many people also guard dollars in their houses. The

³² Robbers.

house is also the place where social reproduction occurs, and it serves as a protective unit that secures the inside, where the family engages in the rituals of daily life and stores their objects of value. The house secures the family from strangers who potentially could engage in crime.

Another example to illustrate this topic: On one occasion Constansa and her boyfriend wanted to install a lock on my bedroom door, an operation that they needed several tries to accomplish. I told them that they did not have to go through all the trouble for me, "it's not necessary", I said. "Oh, you don't know Buenos Aires", they replied. Apparently, it was important to have my own space to keep my things safe, even though my room was inside the apartment. Constansa also told me that if I was to leave, and there was nobody in the house, she insisted that I used the safety lock on the front door, in addition to the normal lock. On the first floor, the apartment complex also had a guard employed full time to make sure trespassers did not enter. We can see that several elements of securing the property was employed to separate the internal space of the apartment from the outside.

Moreover, as well as the high levels of crime, people's relationship to the banks are also characterized by distrust. This was noted earlier on by statements from informants. People thus prefer buying things, as Gustavo noted:

If you buy something big, basically you are using your money instead of letting the system take it, take it, taking it, yeah. Basically a lot of people are buying cars, buying computers, buying TVs, buying holidays, buying expensive things, yeah. It's better of course, and normally that people pays in...payments, every month, so you can save a lot of this from the inflation, yeah it's better. Buying in payments, big things, is a lot better than saving your money.

A successful social career

While Gustavo noted that buying cars, computers, TVs or holidays were better than "letting the system take it", he himself would not buy these things, instead he insisted that buying a property was the best way of maintaining value.

Well, I had to do something with the money, because I know the money is going to disappear if I wait two, three, four, five years. I need to make an investment, a real investment, I don't need to buy something stupid or a car or whatever, I need to really invest in something for the future, so I think buying land is the best option in Argentina. Yeah, if you buy land, the land is going to keep the price, and it's going to grow the price, so I expect in five years it's going to be more money.

Gustavo saved his money to buy property, where he would build a house later on. His rationalia for this was the price increases, and the price that was going to grow over the years. The money, if they were saved in pesos, on the other hand would "disappear", this way he conceptualizes the way that money fails to maintain its exchange value over time. Money is

an object that carries a claim of being exchanged into things, if it does not meet this obligation, then according to Gustavo the money “disappears.” On the other hand, the money inherent in the latent exchange value of the land is going to grow, if it again was to be resold on the property market. Future price increases were his reasons for investing his saved money in land purchase.

Gustavo saved his money by keeping half of it in pesos, and the other half in dollars, this way he divided the risk into two currencies, and because of his uneasiness with the banking system, he kept this money outside of his bank account. If he were to have money in the bank, he would not be able to relax: “You don’t need to be reading the newspaper in the morning to know how the banking system the hell is going on. I would be extremely nervous every morning reading the newspaper thinking ‘oh what they are going to do’.” He kept half of his money in his own bedroom, and the other half at his mother’s house, this way he avoided storing all the money in one place. The benefit of having his money in the house was that he reduced the insecurity of worrying about what the banks are going to do with his values. Although there is a risk of having the money stolen from the house, for Gustavo, it still outweighed having the value inflated away.

Until now, Gustavo had refrained from going to the *cuevas* and buying the *dolar blue*. He had avoided them because he thought that the *cepo*³³ would end. The fear of receiving fake bills also kept him from going to these places. However, the *cepo* had recently been undergoing some changes, and from January 2014, he told me that his mother could get some of her wages in dollars. This surprised me, but it gave me an impression of the changing regulations regarding dollar acquisitions. “It is a more friendly *cepo*”, he said. “People that earn more than 1000 US dollars a month can transform 20 percent of this salary into dollars every month, at a maximum of 2000 US dollars a month.” They had an arrangement where she gave him these dollars in exchange for pesos in the official rate. Dollars he would then exchange on the black market:

I think I am going to Florida. Yeah, this is going to be the first time I am going to the black market, but I really need it. You know what I am doing? I am asking people, for example my mother, she goes to the bank and get twenty percent of her salary in dollars, so I get her dollars, I pay in pesos to her, the normal rate, and I go to the black market, I am going to the black market in July, and get a good price for the dollars.

The standard for establishing the exchange relation between mother and son was the official rate, decided by the government. They negotiated an agreement that enabled him to simplify

³³ The currency restrictions.

the process of saving money for the investment. He also trusted her sufficiently to leave her with half the money that he was saving. The exchange relation between Gustavo and his mother was characterized by a kind of reciprocity where the dollars he acquired gave him a favourable position as compared to buying dollars on the black market. When dealing with the dollar in Argentina, the choice between the two exchange rates indicates the reciprocal relation between the two parts. As the exchange between mother and son could also be characterized as unofficial, as it was outside of government control, she did not however employ the black market rate to get pesos from her son. Nor did she go to the black market to get pesos for her dollars. This exchange could be characterized as “generalized reciprocity” (Sahlins, 1965, p. 193) considering the alternative, the money she could acquire for her dollars using the alternative rates. The exchange was made to simplify the process of acquiring dollars for the money her son earned at work. In this example the family is a sort of economic unit that works together for maximization of utility. The significance of this observation became even more prominent when he explained the procedures of market transactions upon buying the property. When he was paying down his mortgage for the property, the standard regulating exchange relations could change all of a sudden:

They were very interested in the dollars: ‘Oh yeah, you have dollars, ok yeah bring them, we accept them and we are going to pay the black market [price].’ So, well thank you! Yes now, here’s what happened: Next month I cannot pay in dollars anymore. They accept the dollars, but not the black market price, hah, so I’m fucked a little bit. Now I need to go to the black market, and sell the dollars...

When the debtors no longer accepted the unofficial exchange rate for the dollar, he turned to the black market as an alternative, and this enables Gustavo to maximize the amount of pesos he gets for his dollars when dealing in exchange relations outside of the family. The two exchange rates of the peso are negotiated in these transactions, as they are used in attempts of increasing the value of the dollar on both sides of the exchange relation. Sahlins claims that “Reciprocity is inclined toward the generalized pole by close kinship, toward the negative extreme in proportion to kinship distance” (Sahlins, 1965, p. 196), and although the title of his essay “On the Sociology of Primitive Exchange” refers to a simpler mode of production, the ethnographic material provided from my fieldwork demonstrate that kinship ties are still important in establishing degrees of reciprocity, even in urbanized monetary transactions. The relation between Gustavo and the people giving him the loan is transaction made outside of the family, and it thereby appears that the reciprocal form within this relation changes with the increasing relational distance between the negotiating parts. If we are to continue using Marshall Sahlins’ classificatory scheme, this transaction falls under the heading of

“balanced reciprocity.” About this form, Sahlins claims that “many payments, much that goes under the ethnographic head of ‘trade’ and plenty that is called ‘buying selling’ [...] belong in the genre of balanced reciprocity” (ibid.: 195). When they demanded the official exchange rate, Gustavo was quick to resort to the black market to improve his share of the exchange. The codes of conduct governing economic transactions could change fast in Argentina, and these examples serve to demonstrate that one has to react quickly to these conditions. Gustavo found a way to circumvent the less favourable deal proposed in the market relation by resorting to the *arbolitos* of Calle Florida, thereby employing the credo of *hecha la ley, hecha la trampa*. If the rules of the transaction change, he responds by employing illegal measures to improve the conditions. His actions do not need to follow the law because rules are meant to be broken. The money that was attained using exchange rates favourable to the family was then employed to downpay the mortgage on his property, where he would build a house in the future.

Inheritors

During my stay I grew more and more interested in Gustavo’s priorities concerning the future, as he was careful how he spent his wages, and reflected a lot about the economic situation for himself as well as the national economy. To find out more about his views on this, I was wondering what he would do if he received a million dollars, an excessively bold, or perhaps even childish question, but it revealed an interesting answer, which furthers the line of argument I am pursuing:

Oh...what would I do...Wow, what would I do with it? I think I would buy an apartment in Buenos Aires, yeah yeah for sure. I was thinking where to keep it [the money], but I wouldn’t keep it, I would just go and buy an apartment. That is very useful for your kids in the future. It’s the best investment, yeah, an apartment.

Since he cannot come up with a secure place to keep his money, he would rather buy an apartment for it. Not surprising, since this was his plan for the money he had made in the first place. But he also says that this investment will be useful for his kids in the future.

During fieldwork I was introduced to different stages of property transmission across generations. My second domicile was situated a few kilometres to the east, in San Christobal. I lived in a four room apartment with the middle-aged Paula. As she was a lady coming of age, I did not ask it, but I would guess she was in her late fifties. She was the mother of two children, a boy and a girl, both around my age. Her ex-husband, the father of her children, would also come visit her. The apartment was filled with antiques, some of which she had

inherited from her mother, others again she had bought over the years. Connor told me during our interview that buying old things was another way of saving values, as some antiques had a tendency of becoming more expensive the older they got. Within the vintage cupboards stood history books, old and new, on Argentine and Latin American history. The old furniture, antique decorations and books provided the apartment with a particular style, and I sometimes had the feeling that I was living in a museum. This particularity was something she also mentioned in the advertisement for the room when I wanted to rent it. In addition to all the old artefacts, the apartment was also filled with pictures of events with her and the family. Portraits as well as group photos were decorating the walls. Paula spent most of her spare time in the bedroom watching television and talking to her friends on the telephone. One of my last days in Buenos Aires she told me about her plan of getting a smaller place for herself, leaving the apartment in San Christobal for her children to inherit. In this case we also notice that the apartment, as well as providing safety, being a place to raise children and guard ones values, also in itself was a valuable that was given to the next generation. Value is transferred through family ties, to maintain the accumulated wealth that is inherent in property.

Constansa, my first landlady, lived in a four room apartment, with two bedrooms, a living room and an extra room that served as a sort of office area. This room had a computer where she and her boyfriend watched TV-series, and it was also filled with instruments. The apartment was a space where all the chores of domestic life was conducted, the endless list of tasks that constitutes the upkeep of a household, such as cleaning the place every Sunday. It was the place where she practiced the saxophone, and played with her band, ate meals with her boyfriend, warm breakfasts with *mate*³⁴, as well as and dinners and weekend lunches.

Upon my arrival in January, she told me I could only live there for four months, as she had a baby on the way, and that she would later on need my room and prepare it for the little girl. Her boyfriend also moved into the apartment in March. With him came an extensive collection of CDs and books. He was a big fan of rock music, also Swedish 90's garage punk, and had several albums in his shelves. Moreover, he also introduced me to Argentine rock music, and modern interpretations of tango music. After the baby was delivered towards the end of my fieldwork, I returned to visit and was given a small bird knitted out of yarn that Santiago's mother had made to friends of the family, she had made seven, and I got to choose which one I wanted. I picked an orange one, and attached to the bird with silk ribbon was the little girl's name and her date of birth. The insides of the house was also an arena for learning

³⁴ A herbal tea that is a specialty in Argentina, Uruguay and Paraguay.

and transmission of gifts and artefacts. In addition to the usual daily chores of domestic life, Constansa also used the apartment for small scale commercial activities, as she taught classical guitar for a few hours per week, earning a small extra income. Moreover, renting out the extra bedroom to me gave her around 3000 pesos a month. In this way, the apartment was an asset to secure an additional income that could be used for short term consumption, or exchanged into dollars and saved for later on.

Viviana Zelizer says that households are can no longer be seen only as a "haven in a heartless world", but instead as "central sites for production, distribution and consumption" (Zelizer, 2011, p. 409). Constansa's ways of making money in her apartment, and the different elements of domestic life, as well as the reflexes of closing the doors to guard the insides of the house, show that this is the tendency also in Buenos Aires. It can further be added to this function of the house that it functions as a depository for dollars or other objects with exchange-, and utility value when trust in the banks and the stability of the peso is low.

It was her father who owned the flat, and this is another example of family relationships being used for providing a place to live for the next generation, to make extra income, or to invest savings in a real estate market that operates with dollars. As well as a site for raising children and engaging in family life, the apartment was an exchange-object, bearing value, that was bought, and probably could be resold in dollars. Houses sometimes also takes the role of banks, as was the case with Gustavo and Sophia's parents, relieving at least some of the psychological stress that comes with the unstable exchange value of the peso. Despite the fact that the stockbrokers tried to convince me otherwise, my informants claimed that banks in Argentina are institutions who are not trusted, as the prohibition on dollar purchases, the inflation, frequent devaluations, and the memory of the *corralito* that still looms in the consciousness of many Porteños. The house is a place where people guard the values owned by the family from the *negative vertical reciprocity* I claim characterizes the relationship between deposit holders and the banks. I have also demonstrated that safety precautions are taken to separate the house from the street in the *negative horizontal reciprocity* that characterizes the relationship between the family that resides inside the house, and potential criminals on the outside.

In the beginning we met Ramiro who got his money stolen, bank deposits devalued, and thereby had his prospects of buying an apartment disrupted. When we approach the other end of this social career, we see that a house, once purchased, in many cases functions as hereditary transmission of value. The processes of hoarding are facilitated by people saving dollars in the house with the help of *arbolitos*, and exchanging pesos for dollars allows money

a longer time span to engage "in the sequence of purposes" (Simmel, 1978[1900], p. 219). Simmel finds that: "The meaning of money lies in the fact that it will be given away. When money stands still, it is no longer money according to its specific value and significance. The effect that it occasionally exerts in a state of repose arises out of an anticipation of its further motion" (ibid.: 554). This further motion finds stages of increasing time span in its horizon of value preservation. The linking of dollars with property enables us as anthropologists to unfold and explore a perspective where conventional economics falls short of accounting fully for the *meaning* of money. In the flows of exchange I have demonstrated, the value unit in question links the individual to "supra subjective norms that makes this coin a tool of endlessly diverse and extensive uses despite its material limitations" (ibid.: 226), but as the different value forms of currency (pesos and dollars) and apartments link the subject to spatial exchange relations, they also have their corresponding temporal dimension. Social reproduction occurs inside the confines of the house, a process that include the close to unlimited elements that can be conflated into the concept of utility. Both of these value forms inherent in the apartment is transferred to the children of the owner.

The examples noted above demonstrate this phenomenon, and hereditary transmission of wealth conflates economic value transmission, attempts of stabilizing the family economy in this economically volatile climate, as well as social reproduction, as apartments and houses are social sites for reproduction of family life. Transactions of these different value forms thus "form a general pattern which is part of the reproduction of social and ideological systems concerned with a time-scale far longer than the individual human life" (Bloch & Parry, 1989, p. 1). In this line of thought it can be noted that human life, as well as Simmel's conception of money, becomes a link in the sequence of purposes, although on a grander scale. Apartments become the site, as well as the object, that links the "cycle of short term exchange, which is the legitimate domain of the individual – often acquisitive – activity, and a cycle of long term exchanges concerned with the reproduction of the cosmic order" (ibid.: 2).

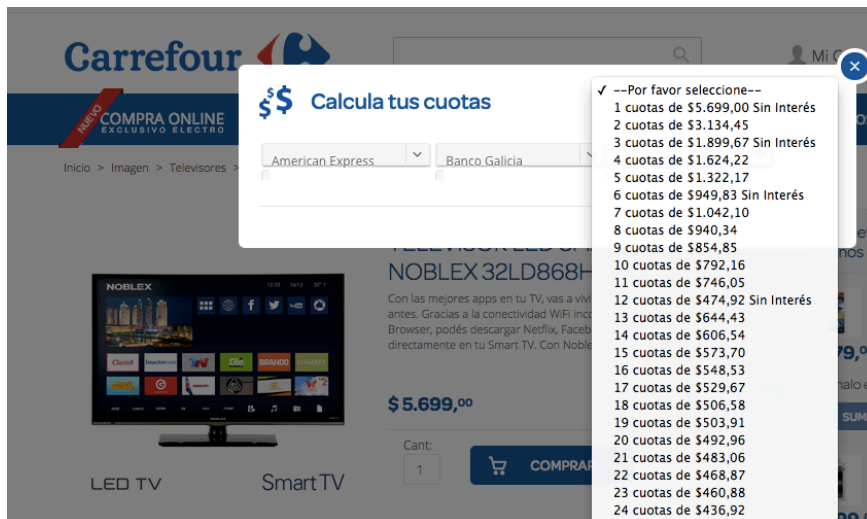
The reduction of instabilities by attaining value in the form of an appartement becomes means, and a platform to ensure social reproduction of the family, the institution attempting to maintain a form of stability within an unstable national economy. The exchanges that lead up to the purchases of apartments, that are then made personal by equipping it with heirlooms, gifts and artefacts are involved in what Kopytoff (1990) labels "singularization". A process which binds individuals to objects during the passage of time, even assimilating them with the person (p. 80). According to Kopytoff, processes of singularization and commoditization are drives in two different direction, as commoditization is a process where things are made more

widely exchangeable (ibid.: 73). The giving of the apartments to children, instead of selling them on the market is also a testament of this singularization. However, singular objects could be "recommoditized" in times of crises. If we were to return to Nani, we can also see that these apartments could be resold in times of crises to provide money, thus functioning as a stabilizing element. This was what her family resorted to during the crisis in 2001, selling two properties to stabilize their situation. Although the numbers that are supposed to convey the economic situation in Argentina are uncertain, Nani suspects that a crisis will come, and that this will also affect the owners of the apartments, when people renting their rooms no longer have money to spend:

I think that this crisis is much worse than in 2001, people here in Argentina is without savings. I remember during the crisis in 2001, a lot of people did not have work, but they were indemnified, they were payed something so they could buy a taxi, or a kiosk, to make a living, but in this crisis, people do not have money to last a year without work, and then this will affect the middle class, who are the owners of the apartments. If the owners of these apartments do not receive their rent, they do not have money. In my example I was in the middle class, in this crisis I am in the class of poor people. In the crisis of 2001, my family had its own house, and the house of my grandmother, we sold those houses, but in this crisis, we don't have a house, we don't have anything to sell.

Electrodomesticos and Pago con Cuotas

Buying *electrodomesticos*, or electric home supplies, is another way of getting rid of pesos, and changing it into something that can be used. A way to make it possible to plan your expenses was a payment plan called *pago con cuotas*. Upon purchasing electric home supplies in Argentina, it is possible to select a downpayment plan where the price is divided into as much as twenty-four downpayments, or *cuotas*. That way, people got a price, and knew how much they had to pay each month for the product. The longer the downpayment period, the higher the premium, but having a fixed rate over time was in some instances preferable to keeping pesos. This way one had a fixed exchange rate from pesos into something that could provide entertainment, for example a television. The webpage of the retailer Carrefour in Argentina displayed tables that calculated the final price for the products on a basis of how many cuotas one chose to divide the payments by. A smart-TV that could be bought in one payment for 5699 pesos, could be payed for in one share, or by choosing up to 24 shares over two years. By choosing to pay the amount in 3, 6 or 12 shares, a quarter, half or one year, the customer could buy the TV interest free. That is to say, one could choose to pay the 5699 pesos divided into shares to be payed over a year.



Picture 6.1: Screenshot from the webpage of the retailer Carrefour. The alternative payments of one, three, six and twelve shares have the suffix “Sin interés”, or “without interest” (Carrefour, 2015).

Normally, wage negotiations in Argentina was conducted every six months, and concerning the insecurity regarding the peso in Argentina, securing a stable plan for downpayments the next year would most likely reduce the ratio between expenses and wages. I lived in Argentina in the months prior to the world cup, so buying new TVs was something that perhaps was more important than usual. My second landlady, Paula, had her son install a smart-TV in her bedroom, she had bought this on a 12-month downpayment plan, she told me. We would occasionally gather to watch the matches in front of this television.

We will return to the self-employed taxi driver, Leandro Sanchez, who would manipulate the prices he charged in his taxi according to the index that he trusted. He would use the informal inflation index to regulate the payments he received from his customers. By increasing the prices that he charged in the taxi according to the somewhat higher unofficial data, and by paying a fixed amount per year for the TV, his payment/income ratio would be lower, and he would have more money to spend on other things.

A way of saving money is to buy a television in twelve shares without interest. There are promotions that they give to the creditcards to finance it without interest! If I buy a television, to watch the World Cup, where I pay seven hundred pesos, but when we have an inflation of thirty percent. Seven hundred pesos today is one amount, but after a year seven hundred pesos...is thirty percent less, understand? I will make thirty percent more!

By increasing the prices on the basis of the information received from independent auditors, these numbers influence the actions of the taxi driver, making a difference in the costs for people riding in his taxi, as they are charged with rates dictated by numbers outside of

government control. We observe that the alternative statistics become self-fulfilling in the way that they shape the behaviour of the taxi driver. The representations in the numbers have in this example reached the final level of *internalization* where “the cultural system not only guides, but instigates action, and the entire system is invested with emotion” (D’Andrade, 1995, p. 228). He explained to me his way of thinking when we were walking in the supermarket. After telling me how the *pago con cuotas* program was working, he proudly showed me the television he was planning to buy for watching “Argentina become the champion of the world” in the World Cup, a few weeks later.

El Mundial

El Mundial, or the 2014 FIFA World Cup, was held in the neighbouring country of Brazil in June and July towards the end of my fieldwork. Newspapers and television programs saw a mounting frequency of coverage of this event in the months prior to the cup. I watched the games on different locations throughout Buenos Aires where friends and family would gather in living rooms, restaurants or cafés to watch the games, some on newly acquired Smart TV’s that were extensively marketed in retailers before the championship started. A few games I saw with Federico, Paulas son, and one of these matches I remember in particular. The game between Argentina and The Netherlands. He and his friends were gathered in the livingroom of one of his neighbours, we were around 15 people in the small apartment, watching the game. For the World Cup, the Kirchner government aired all the matches on national TV through a program called *Futbol Para Todos*, or “Football For Everybody”, to ensure that everyone had the possibility of watching all of Argentina’s games for free if they wanted to. The match was streamed through a computer and projected onto a wall in the living room. Another example of government subsidizing. As well as friends of Federico, the parents in the house also had their friends over. The family put different small dishes on a table that was practically filled with food, soft drinks and red wine. The match was intense, and on the occasions where Argentina was close to scoring, everyone in the living room shouted. The game went into penalty, and ended 4-2 in favor of Argentina. During Argentina’s games, the streets were practically desolate, and the few cars that were out driving honked their horns each time Argentina scored a goal. After the game the father of the house we were in told us how much the food had costed, and we all gave him an equal amount of cash, as we all shared the expenses of the food. The safety of the apartment enabled this ritual of sharing and enjoying sports via balanced reciprocal exchanges.

The national team played a good tournament, and made it to the final, where they were to meet Germany. On the day of the match people gathered at Plaza San Martin in the bottom of Calle Florida to watch the game. There was a large mass of people marching into the centre of the town, some of which were inebriated, drinking fernet and coke out of coca cola bottles with their tops cut of to make provisory drinking cups. Fireworks banged and crackled in the air, while people sang and drum rythms resonated through the streets. The congregation of people was huge, and as I reached Plaza San Martin, the crowd had already covered all the spots from where the screen could be seen. I immediately started looking for alternative spots to watch the game, and as I was walking away from the park, three drunk men dressed in football attire came my way, they approached me and hung around my neck, wanting to include me in their gang walking towards the crowd. One of them started reaching for the pocket where I had my wallet, and was grabbing for it, saying "you have money, give it to me." As he was going for my pocket I felt threatened and insecure. My heart pounded harder and faster, and I felt that I had no control over what was going to happen to me. A second later the crowd roared, and the men got distracted as they thought that Argentina might have scored. They staggered away screaming, I quickened my pace the other way, and left the area towards the side street heading for safety. Watching the game on the street was a different experience than the one noted above. Where the house was site for a ritual of sharing with close friends and family, the streets on the outside was more insecure. I furthered towards Congreso, and on my way there the streets were void of cars and the pedestrians that were outside were hastening towards a screen where they could watch the game. Outside of every establishment containing a TV, a crowd of people was standing, covering all spots within eyesight of the screen. The groups exploded in enthusiasm every time their team was about to score. All of the cafeterias and restaurants with TVs were also filled with people, equipped with security personel making sure that the crowd standing outside could not get in. The streets were covered in trash and the sounds bore evidence of the extatic moods that people were in. I arrived at the congress just in time to watch the second half. Around the screen attached to the congress building, the crowd was substantial, but small enough to give me a good view of the game. I bought some beers from the vendors that were trolleying boxes with beverages. The game was even all the way to the end, with no goals as it went into overtime, but Germany's Mario Goetze scored after 113 minutes. In the same second, the festive crowd went silent, and the minutes following, no one made a sound. Plaza Congreso went mute as the crowd realized that the Argentine national team had lost the final. The crowd dispersed after the game, and gathered at *El Obelisco*, the central monumental site where celebrations

after football matches normally occurred. The crowd was lively, and it appeared that the loss did not matter much, I left the site after half an hour, and on the TV when I got home I could see that the excitement turned confrontational when I left.

The day after the final I was standing in a greengrocer shopping vegetables, but my attention got directed towards the TV that was broadcasting the events from the day before. After the final had ended, a crowd of hooligans had started throwing rocks and destroying storefronts. The riot police, fully equipped with bulletproof vests, helmets and shields – mandatory attendants every time large masses of people gathered downtown – started using water cannons, rubber bullets and tear gas to disperse the crowd. As we were watching this unfold on the television, the vendor looked on in disbelief, "*estan locos*", she said, shaking her head, "they are crazy." From the TV broadcast that day I particularly remember three young boys breaking into a car that was parked downtown during the final. I noted that their faces were not censored, allowing all viewers to identify them. In the months prior to the world cup in Brazil, the news had covered events of lynching, where vigilante groups had been reported killing criminals, as they were tired of the police not doing a sufficient job in combating this criminality. The broadcasting of these people's faces did not in any way help the anonymization of criminals. The transmission also included a man who was hanging with his hands and legs from a post that had a trafficlight attached to it, the light had been cut loose from its attachments. It was hanging from its cables, and the man was kicking and punching, trying to detach it completely. If he would succeed, it would fall on the crowd below. He lost his grip and ended up falling head first several metres to the concrete, the cameras did not follow the man from then on, as the shadows from the amassing crowd blocked the camera's view.

Utility

The unrest surrounding the world cup demonstrated the latent dissatisfactions that sometimes surface in Buenos Aires. These are manifested in demonstrations, riots and criminal activity. As well as explaining the importance of the World Cup in Argentina, the two narratives above also testament to the safety provided by the house, as the apartment dams out the insecurities of the street. Purchasing a house is a strategy of reducing the insecurities I have tried to outline during this thesis. The apartment becomes something providing means for "the removal of felt uneasiness" if we were to again invoke Ludvig von Mises' writings on utility (Mises, 2010, p. 21). The process of purchasing apartments, and navigating the spheres of exchange also contain elements interpreted by cognitivist theories, and in many ways the

utilitarian perspectives reverberate in the motivational theories of cognitive anthropology. Roy D'Andrade (1995) writes about the idea of motivation that some cultural schemas function as goals for individuals, where these schemas are learned as part of the individual's cultural heritage, and that schemas motivate in the sense that they have the power of instigating action (p. 231). These schemas are "ranked by hierarchical position into three classes. At the top of the interpretive system are schemas that function as a person's most general goals, called master motives. They include things like *love* and *security* and *play*" (ibid.: 232) These are the master motives that instigates some of the drive towards purchasing an apartment. In the text I have outlined several examples that proves the role of the house in providing security. Love and affection were shown during the meals eaten together, as well as in the way houses were decorated with pictures of family and friends and sometimes with inherited furnitures. The apartment becomes a place to keep artefacts that connects the owner with its social group. "Photographs, particular objects (like a piano, a clock, a chair), and events (the playing of a record of a piece of music, the singing of a song) become the focus of a contemplative memory" (Harvey, 1990, p. 292). I have elaborated that the apartment and inheritance incorporates the individual life into a sphere with a longer time span than the individual life itself, and these artefacts, pictures sometimes involving two or three generations of family members together also bear testament of this linkage. However, where exchange presupposes a reciprocal relation, the giving of the apartment to ones children as heritage does not. The accounts can never be balanced. David Graeber (2011) notes that the theory of reciprocity encounters challenges in this respect because of the difficulties in seeing the relation between parent and child as particularly reciprocal (p. 91). He claims that a different type of morality is at play, which he labels *baseline communism*, and its presence could be noted in that there are no accounts taken in the institutions where this morality is practiced (p. 99). I claim that it is this phenomenon that is at stake in the handing over of property to ones children.

When it comes to play, we can recall the example in the former sub-chapter. The enjoyment of the world cup was not unaffected by the locality where one chose to witness it, and viewing the games on different arenas gave me a perspective on the importance of a safe place for socializing and engaging in this activity that could be folded into the category of play. We find motives that provide the basis for the higher level goals towards the bottom of the hierarchy D'Andrade states that actions such as "going to the bank" belong to this level (D'Andrade, 1995, p. 231). This is where we can start going further back into the text to search for these lower level motivations. We have shown how Leandro used the inflation

statistics and the *pagos con quotas* program to improve the exchange rates to reduce the total costs of purchasing a TV to watch the football matches. This is a means to reach the higher and more general motives. Another example is the way Pablo uses different strategies to get dollars as a means for buying an apartment, thus reaching the higher level cognitive goals. These strategies and motivational schemas intertwine during the world cup, where loved ones come together in the safety of the home to watch football and engage in a social act that affirms relationships to loved ones. This is one of the events where all the lower order motives culminates in the working together of the higher ones. In the ritual surrounding the World Cup, for many people, the drive towards utility culminates. This perhaps, is what is attained at the pinnacle of the motivational hierarchy. If we retrace the origin of the word, as it was defined by one of its conceivers Jeremy Bentham in 1781, we find that utility something that is difficult to establish in quantifiable sizes:

Nature has placed mankind under the governance of two sovereign masters, *pain* and *pleasure*. It is for them alone to point out what we ought to do, as well as to determine what we shall do. [...] In words a man may pretend to abjure their empire: but in reality he will remain subject to it all the while. The *principle of utility* recognizes this subjection, and assumes for it the foundation of that system, the object of which is to rear the fabric of felicity by the hands of reason and of law. By utility is meant that property in any object, whereby it tends to produce benefit, advantage, pleasure, good, or happiness [...] or [...] to prevent the happening of mischief, pain, evil or unhappiness to the party whose interest is considered[...] (Bentham, 2000, p. 14).

The quantifiable exchange value of the objects that contain it is a size riddled with instabilities in Argentina, and with it, the possibilities of providing utility is also insecure. Social careers are committed to augmenting the positive aspects of the definition, and diminishing the negative. The weeks of the World Cup was a festive event, for many, and it was a ritual for the gathering of social groups such as family and friends. Negative topics were avoided during the matches, and serious issues were not discussed, as these were events to celebrate happiness. The ritual thus for a little while refers unhappiness into momentary forgetfulness.

“Dollar exchange, *dolares*, *renminbi*”?

The amount of dollars in both the registered and unregistered economy of Argentina, demonstrates its importance as a currency that people trust to preserve value. Throughout this thesis, the dollar has been the bridge to enable longer-term savings and investments. However, signs are surfacing that the presumed stability of the US dollar is no longer a topic that can be taken for granted. After the Subprime mortgage crisis from mid-2007 sent the US

housing market into a downward spiral, and the major banks along with them, the US government increased dollar reserves in a bail out of the private banks that totaled 700 billion US dollars (Harvey, 2011, pp. 2-3). By purchasing US treasury bonds, the Federal Reserve Bank of the United States in essence lent money to the US Government that functioned as a guarantor for massive increases in the private banks' reserves. However, this rampant creation of reserves did not end with the 700 billion after the crisis, and when the last data were published by the Federal Reserve, before the time series got discontinued in 2013, total reserves were 1980 billion US dollars, as seen in figure 6.2:

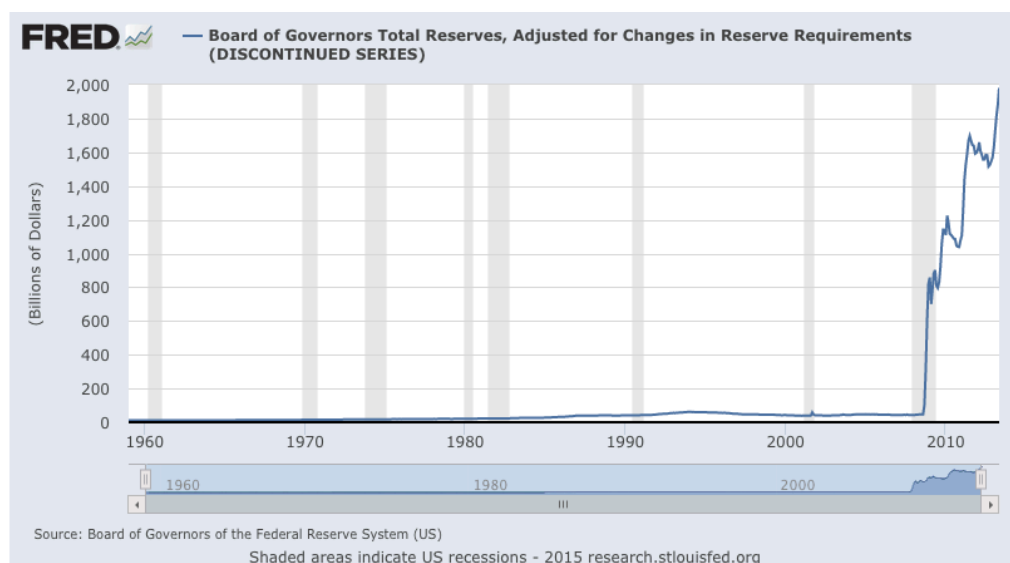


Figure 6.2: Total reserves in the Federal Reserve System (Federal Reserve Bank of St.Louis, 2013).

These US government bonds are only backed by the faith and credit of the government, and purchasing debt obligations with an uncertain future creates these reserves. That is why the question of trust is essential when establishing the legitimacy of the dollar as a global currency reserve. Meanwhile, the increasing debt that is accumulating on behalf of the US government is an ominous sign that this government is enmeshed in a situation of increasing debt, which questions the very stability of their banking system and the hegemony of the US dollar. In the aftermath of the financial crisis, China has become one of the major holders of US Treasury bonds (Graeber, 2011, p. 371), a development altering the power dynamics in the world economy. It is anticipated that China will be the largest economy of the world in 2020. By encouraging international use of the renminbi, Chinese leaders seek to challenge the dollar in its function as being the currency denomination of the foreign reserves of central banks, within a time frame of 5-10 years (Eichengreen, 2013). However, as of 2013, the US dollar still maintained its dominance in that 87% of all foreign exchange transactions were

conducted in this currency, the Euro composed 33,4%, while the Chinese renminbi was used in 2,2%. As two currencies are used in a transaction, the sum of all currencies contribution totaled 200% (Bank of International Settlements, 2013, p. 5). All things considered, it appears that the arbolitos will be exclaiming purchases of dollars and euros for some time.

When my fieldwork approached the end in July, and I was to return to Norway, I received the 3500 pesos of deposit money that was held by Paula, my landlady, in an envelope. This was money that had been held as deposits, first by Constansa since January, and then by Paula since May. As I have demonstrated, for half a year, the money in this envelope had lost its purchasing power. One final time I went to the *cueva* behind the newspaper stand to exchange my money, but this time I was to buy US dollars instead of selling them. Although changing back to US dollars was expensive, as the rate at that time was 12 pesos, it was the only way I could aquire it, and not take with me 3500 pesos back to Norway, which exchange value might diminish severely if I was to return to Argentina in the future.

Concluding remarks:

This thesis has tried to explain how people preserve, and conceptualize economic value in Argentina when the peso loses its purchasing power and the exchange value towards the dollar is diminishing. Through fieldwork interviews and conversations I have attempted to find out some of the ways that people deal with an unstable economic situation. As I have demonstrated, many people chose to withdraw their money from the banks, exchange them into dollars, and save them in the house. For people who could save sufficient amount of dollars and get a mortgage, the possibility of purchasing houses provided additional stability, enabling a longer time horizon for their savings. Regarding the conceptualization of economic value development, my informants chose to trust the unofficial statistics instead of the numbers coming from the government. The unstable currency made people avoid the banks as a safe storage place for their deposits.

Summary

In the beginning of the text I used Ramiro's story of being deprived of a big amount of his savings as an entrypoint to attempt explaining some of the political developments that led to the crisis in 2001. The elements in the story provided me with rough and ready structure to establish a few dimensions from which to analyze the present economic landscape in Argentina. I established analytical axes within vertical, horizontal and temporal dimensions. The vertical dimension was the distrust towards banks and government because of the devaluation. Meanwhile, the horizontal dimension was caused by criminality that caused insecurities regarding saving money in the house. This temporal dimension is reflected in the way earnings are stored from work in the past, towards future rewards of, in Ramiro's case, house purchases.

In Chapter 1, Ramiro's story served as an entrypoint for a historical introduction, and the historical chapter described the trade liberalizations of the Menem presidency (1989-1999), with dismantling of trade barriers, financial deregulation, state reform which included demands of conditionality, and a convertibility regime. I then took an even further look back into history, beginning in 1976, to explain the history of the Argentine national debt, and how it worked as a reward for the junta government to implement neoliberal policies. This debt kept increasing, and through the 90's, with IMF imposed conditionalities, the debt worked as an instrument to legitimize selling state property. This resulted in a loss of government income to the hands of foreign investors, eventually resulting in a crisis. The policies resulted

in increased urban poverty and social inequalities. The recovery with the advent of Nestor Kirchner involved defaulting on the debt, liberating means to increase state spending, again resulting in price increases. Inflation was after a while beginning to become an issue. In 2007 Cristina Kirchner became president, and Expropriation of formerly privatized companies was put on the agenda to increase the income of the Argentine state. This history is retold, as well as consulted on the Internet. I concluded this chapter with a few anecdotes from my informants, to supplement the literary sources to bring the history more to life.

After a methodological chapter 2, where I explained the challenges of doing fieldwork, my informants were introduced in chapter 3. In the beginning I explained some of my impressions from the black market for dollars. I described these exchange procedures, involving *arbolitos*, *cuevas* and *dolar blue* a bit “thicker”. I also explained that dollar purchases provided stability. We again encountered the temporal dimension, as saving for the future necessitates dollars. We then acquainted Jorge, who was an informant working in a *cueva*. By retelling his story I wanted to convey some of the personal experiences of the dollar regime, as his biography brought a face to the more recent economic history of Argentina. I found Jorge to be a liminal mediator between spheres of value preservation, between the banks’ control of money and saving in the house.

Gustavo, the next informant, did not trust the banking system. Because of the value deterioration he did not save much money in pesos, and as he did not feel that his money were safe in the bank, he saved them in the house. The importance of the house as a locality for saving was essential, and other informants demonstrated this as well. These elements engage in the vertical dimension, where a sense of *negative vertical reciprocity* is experienced.

Sophia was an informant whose primary concern was crime. She gave extensive accounts of criminal activity in her neighborhood. According to her, the house had an important function in securing the intimate space of the family. Crime also influenced her family’s habits of speaking about money. In this part silence is being employed as a conceptual metaphor for safety measures which physical basis were walls and fences. Her feelings of insecurity are involved in the horizontal dimension of distrust and instability, experiencing a sense of *horizontal negative reciprocity*.

Leandro finds a way to avoid fear of devaluation and having the money stolen, as he uses his money on remodeling his house. He thereby avoided some of the fears expressed by Gustavo and Sophia. Moreover, he communicated numbers expressing value developments that were not the governments own. This pointed towards another element of vertical distrust, as it seemed as though there was a lack of faith in validity of official statistics.

I then paused with the introduction of new informants, as I explained the term *hecha la ley, hecha la trampa*. The saying explained that people do not necessarily abide by the law in Argentina. This disobedience, when applied upon the illegal dollar trade, enabled a change in the trajectory of value preservation. Nani, the final informant to be introduced in this chapter, exemplified another element of instability, as the fear of bank runs makes the banks impose limitations on withdrawals. Apparently, the distrust that my informants feel towards the banks is mutual. The introduction of my informants in this chapter demonstrated different aspects of distrust. And each informant exemplified strategies to maintain stability in this volatile environment.

Chapter 4 is a short theoretical chapter on different ways of theorizing the inflation. This part explained two main schools of thought in brief. These were the structuralist, the Marxist, and the monetarist school. It appeared that the majority of my informants believed that the latter did the better job of explaining the reasons for the inflation in the Argentine economy. People mainly believed that increasing the money supply in one way or another was the reason of the inflation.

Chapter 5, termed “The battle of the numbers”, attempted to convey the conflict surrounding statistics. This chapter engaged with the confidence that the informants have towards the government, expanding the dimension of vertical trust into questions of faith in official numbers. The difficulties of conceptualizing value developments are explained in this chapter. After a government intervention in the official statistical bureau, the INDEC started to publish statistics of inflation that diverged with independent consultancies. These conflicting numbers led to a sense of disbelief among my informants, and none of the formerly introduced interviewees believed that the INDEC reported the correct numbers. Informants also suspected the government of manipulating the statistics because of the prevalence of inflation linked bonds. This indicates an influence of the financial markets on the perceptions of public statistics. The next part was a historical intermission into the days of “pizza and champagne” that situated the purchasing power of the peso in an historic context, demonstrating the instability of the national currency. Evidences of price manipulation also surfaced regarding the big mac, as I also experienced myself.

In contrast with the disbelief that was displayed by my informants, the stockbrokers showed complete confidence towards the INDEC and wrote their reports on the basis of these numbers. Another interesting element occurred in that the stockbrokers have complete confidence in the banks, and they claim to not remember recent bank runs. The statements of the stockbrokers demonstrate that faith in the numbers is contested in Argentina.

The following part introduced the Billion Prices Project, a service that casts further doubt to the validity of the INDEC's numbers. The Billion Prices Project uses HTML scraping technology to gather data, and is not dependent on a big staff or geographic presence to collect statistics. Technological innovations allow numbers to publish that thus seem to question the official value of the development of the peso's purchasing power. The results of these statistics could be consulted online to contest the information monopoly of the INDEC.

The elements described in this chapter intended to show some of the insecurities regarding establishment of purchasing power. I intended to further explicate the importance of purchasing dollars by demonstrating some of the challenges that people face in their planning for the future. As the statistics were not trusted, increased lack of faith in the government was the result.

In the final part of the text, I returned to the aspect of preserving value. By extending the temporal dimension in Ramiro's case, revisiting the house served as the secure place to guard valuables. Gustavo was reintroduced and he explained how he would negotiate the black market to acquire dollars. I then described how properties were inherited, as I experienced several accounts of property transmission across generations. This part also involved some thicker description to demonstrate the utility of the apartments. Nani's account from the crisis in 2001 demonstrated that houses or apartments could be recommodified during times of crises. Next, Leandro explained how he purchased a TV on a downpayment plan, and increased the prices in his taxi in relation to the unofficial inflation statistics, showing the results of his lack of faith in the numbers.

Concluding reflections

In the beginning of the work with this thesis, I wanted to investigate the social effects of the inflation. This was a pretty extensive topic that could have taken a wide range of different directions. When the text turned out the way it did, this was partially due to what kind of informants happened to come my way, and what kind of information they wanted to share with me. I cannot maintain that I have produced an objective account of Buenos Aires, as it was experienced by the great mass of people in the spring of 2014. I do hope however, that I have portrayed a representative account of what techniques were employed to try to maintain stability within the instability, during this time period. My task with this text has been to convey the feelings of uncertainty sensed by my informants, and I might therefore have included elements not necessarily directly relevant to the inflation, or monetary instability for that matter. The idea, however, has been to convey the rather *holistic* experiences of

economic uncertainty within Argentina. That is why accounts of devaluations, robberies, statistics and stockbrokers, run side by side with experiences of football matches, illegal exchange facilities and daily domestic rituals. Together they intertwine to form sensations of distrust and insecurity that are deeply rooted also in Argentine history. A few historical accounts were therefore introduced throughout the text, to have a look backwards at the history shaping contemporary relations of trust towards institutions, as well as towards other people. As a closing remark, I can only hope that my inclinations have not made me stray too far from the central topic.

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