

Jonas Bugtene Boulifa

Paper promises

The effects of inflation on social life in Buenos Aires, Argentina

Master's thesis in Social Anthropology
Supervisor: Knut Christian Myhre
May 2023



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Abstract

This thesis is a study of how expectations of high inflation affect people's ability to participate in markets. Markets are the purposes for the discussion defined as a process of repetitive interactions between economic actors. The thesis is based on ethnographic fieldwork between March and September 2022, in Buenos Aires. Through the voices of people living with high inflation, the thesis discusses the different functions that money is believed to serve. The thesis describes how people react to inflation, and how high inflation affects social relationships. The core argument presented is that money ceases to be a tool for projecting the future, when inflation reaches levels like in Argentina. In 2022, the annual inflation was nearly a 100%. The thesis furthermore discusses how moral distinctions are made between units of currency depending on who uses, issues and receives them. Argentina's history is characterized by cyclical crisis, and people have vivid memories of them. These memories serve as a guide to what actions they take in the present. Furthermore, the thesis seeks to apply theoretical perspectives from a variety of disciplines but anchor them in ethnographically collected data. The thesis suggests that the term "stability" can be understood as a *perceived limitation of unknown unknowns*. In practice, this suggests that stability is a mental construct that originates in social relationships between people. The thesis also argues that choice can be studied ethnographically by defining it as an imaginative process and not as a mere selection between alternatives. The strength of this approach is that it uncovers the complexity of social relationships that are taken into consideration when people make decisions in their everyday lives. The thesis concludes that all forms of money are socially negotiated and shaped by those who use them. Furthermore, the thesis also concludes that a future where several monetary forms co-exist is a likely scenario. The final argument presented is that all economic problems are social problems and that they should be treated as such.

Sammendrag

Denne avhandlingen er en studie av hvordan forventninger om høy inflasjon påvirker folks muligheter til å delta i markeder. Markeder defineres i denne sammen hengen som en prosess bestående av gjentakende interaksjoner mellom økonomiske aktører. Avhandlingen er basert på et etnografisk feltarbeid gjennomført mellom mars og september 2022 i Buenos Aires. Gjennom stemmene til mennesker som lever med høy inflasjon diskuterer avhandlingen de ulike funksjonene penger er antatt å ha. Avhandlingen beskriver hvordan folk reagerer på inflasjon og hvordan høy inflasjon påvirker sosiale relasjoner. Kjerneargumentet er at penger slutter å være et verktøy for å planlegge framtida når inflasjonen gjør slike nivåer som i Argentina. I 2022 nådde den tilnærma 100%. Avhandlingen diskuterer videre hvordan moralske distinksjoner lages mellom pengeenheter avhengig av hvem som bruker, trykker og mottar dem. Argentinas historie er preget av sykliske kriser og folk har sterke minner fra dem. Disse minnene fungerer som en «guide» for hvilke handlinger de gjør i nåtid. Videre så forsøker avhandlingen å bruke teoretiske perspektiver fra flere disipliner, men forankrer dem i etnografisk innhentet materiale. Avhandlingen foreslår at begrepet «stabilitet» kan forstås som *en opplevd begrensning av ukjente ukjentheter*. I praksis betyr dette at stabilitet er et mentalt konstrukt som har sin opprinnelse i sosiale relasjoner mellom mennesker. Avhandlingen argumenterer også for at valg kan studeres etnografisk ved å definere valg som en prosess hvor man forestiller seg fremtiden, og ikke bare velger blant definerte alternativ. Styrken ved denne tilnærmingen er at den dekker kompleksiteten i de sosiale relasjonene som tas i betraktning når folk tar valg i hverdagen. Avhandlingen konkluderer med at alle former for pengeverdi er sosialt fremforhandlet av de som bruker dem. Videre konkluderer også avhandlingen med at sameksistens mellom ulike pengetyper er et sannsynlig framtidsscenario. Det siste argumentet som presenteres er at alle økonomiske problemer er sosiale problemer og bør studeres deretter.

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Abbreviations:

BCRA – Banco Central de La República Argentina

FDT – Frente de Todos

IMF – International Monetary Fund

LLA – La Libertad Avanza

PJ – Partido Justicialista

PRO – Propuesta Republicana

UCR – Union Cívica Radical

UCRI – Union Cívica Radical Intransigente

UCRP – Union Cívica Radical del Pueblo

USDT – Tether USD

Pictures:

1. Picture of the entrance at Cristina Kirchner's apartment
2. Picture from political demonstration
3. Picture of price list from Pablo's business
4. Picture of price list from Pablo's business (2)
5. Picture of Lemon Cash VISA-cards

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Chapter 1

Introduction

Inflation is a topic which over the previous few years has become increasingly relevant in global political discourse. Most countries have in the last decades experienced remarkable price stability and a notable loss of purchasing power due to inflation is a new experience for my generation. I became interested in the social aspects of inflation after the hyperinflation in Venezuela, as the pictures and stories emerging in the news portrayed a severe humanitarian crisis. What I saw and read about the situation made me uncomfortably aware that money was something I took for granted in my own life. When I then had to decide on a topic for a research project, I was determined to study how inflation affects social relationships. To my awareness, there are few anthropologists who have described this, although the literature on money is vast. In Argentina, monetary instability is a part of everyday life and has been for decades. In 2021, inflation reached 50,9% (Centenera, 2022) and it was with this backdrop I chose to conduct my research in Buenos Aires. I want to clarify that the goal of this thesis is not to conclude on why inflation occurs or who is responsible for it. For this reason, I limit myself to describing it as an empirical fact and describe responses among residents in Buenos Aires. Their stories and accounts are the important part of what is to follow in the coming discussion. A basic definition of inflation is however needed, although there are various opinions on which one is correct¹. I have selected to treat inflation throughout the coming arguments as: the reduction in the value of money, as it is expressed quantitatively, in relation to other goods and services (Forbes et. Al, 2022, p.15).

Defining the problem

The question this thesis answers is: *how expectations of high inflation affect people's ability to participate in markets?* The first clarification that needs to be made is therefore what is meant by "expectations" and how it is related to the theme. Rebecca Bryant & Daniel Knight (2019) describe that "expectations" are what gives "the future its futurity", and that "to expect" is what it means to "have a future" (p.55). In other terms, "expectations" are what gives the future its content before it is brought into being by the passing of time (Bryant & Knight, 2019). Understood in these terms, having "expectations of inflation" means that inflation is believed to be a part of what defines the future. What I call "participation in markets" should be understood as the act of creating social relationships through transactions, and in this case, transactions facilitated by money. My question can thus also be expressed as follows: *how is the creation of social relationships facilitated by money influenced by the fact that the future has inflation as one of its definitional contents?* Moreover, by "markets", I do not refer to "a marketplace" in terms of a physically defined space where exchange occurs, nor to "the market" as an entity which is separate from other aspects of social life. The approach selected is inspired by Mitchel Y. Abolafia (1998) who suggests the study of "markets as cultures" (p.70). This implies that I do not consider the market to be a pre-constructed set of functions, but an outcome of social relationships (Abolafia, 1998). In such "markets as cultures", there are near infinite possibilities for the exchange of goods, services and time. "The markets" encountered in the field are not

¹ There are several interpretations of inflation and what it is. Some refer to inflation as "an increase in monetary supply", others to "a general increase in prices of goods and services". See Forbes. S, Lewis. N, & Ames. E (2022).

characterized by the "*frictionless transactions*" (p.70) and actors governed by the universal rationality found in some traditions within economic theory (Abolafia, 1998, p.74). Rather, people sometimes do and sometimes do not have conflicting desires and motivations. "*Markets as cultures*" is what they construct in their repetitive interactions. My understanding is therefore similar to what Viviana Zelizer (2011) suggests when she describes that: "*except for common properties that are true by definition, markets vary systematically in the way they set prices, in the relations among producers, and in the kind of transactions that connect producers and consumers*" (Zelizer, 2011, p.131). The coming chapters therefore argue that *expectations of inflation* are shaping markets as culture through the repetitive social interactions that construct them (Abolafia, 1998). Furthermore, I reject making any sharp distinction between "*the state*" and the "*market*", because people do not evaluate their transactional relationship with "*the state*" independently from of their other economic relationships. I furthermore argue that people do not perceive "*the state*" as institutions without agency, but instead, they respond to the words, actions and alleged actions of these institutions. This approach to the topic is inspired by Sharma & Gupta (2006) who writes:

Instead of viewing states as pre-constituted institutions that perform given functions, we argued that they are produced through everyday practices and encounters and through public cultural representations and performances. (p.27)

This perspective on the institutions of the state is exemplified by Holmes (2009) description of how central banks attempt to influence economic actors in achieving their goals of price-stability. According to Holmes (2009) this is achieved by central banks communicating their expectations of the future in ways that make firms and individuals internalize the intentions of their policies. Similarly, Sharma & Gupta (2006) argue that engaging in discourses of "corruption" allows individuals to construct "the state" and simultaneously build their own identity. Following from the above definitions and theoretical positions, I therefore understand individual actors, the institutions of the state and markets as cultures (Abolafia, 1998) to all be embedded in social relationships (Polanyi, 2018; Granovetter,1985)².

Theoretical perspectives on money

Fundamentally, the view on money presented in the coming chapters argue that money is a way of forming social relationships, and that the utility value (Zelizer, 1989) of money is influenced by its symbolic meanings. My perspectives on money are informed by scholars from multiple disciplines and anthropologists, economists, and sociologists have all made contributions which deserve consideration. Bill Maurer (2006, see also Polanyi, 2018) states that money should function as: *a means of exchange, method of payment, unit of account and standard of value* (p.20). Polanyi (2018) makes a distinction between what he calls "*all-purpose*" and "*substantive*" money based on which of the described functions money fulfill. "*Substantive money*" are "*quantifiable objects employed in any or several of those uses*" while "*all-purpose*" money serves all of them (Polanyi, 2018, p.16). The coming chapters do however show that the US dollar³ and the Argentine peso, that are intended as "all-purpose money", are used as what Bohannan (1959) based on Polanyi's definition termed "*special purpose money*" (p.492).⁴ In Bohannan's (1959) study of the Tiv-economy,

¹I do not devote a lot of space to a discussion of embeddedness here. See Polanyi (2018) and Granovetter (1985)

³ Hereby referred to as the "dollar" or "dollars", Argentine pesos are referred to as "pesos"

⁴ Bohannan (1959) elaborated on Polanyi's position and replaced the term "substantive money" with "special-purpose-money". Bohannan (1959) also uses the term "General purpose money" instead of "All purpose-money"

different "*special purpose money*" are used within distinct "*spheres of exchange*" according to the moral rules governing each "*sphere*" p.492). This thesis argues that distinct "*spheres of exchange*" for the peso and the dollar have emerged in Argentina because the peso gradually loses its value. The core argument is that these currencies are used for different kinds of transactional relationships. A topic which is not usually emphasized in the anthropological literature on modern money is the "*stability*" of its exchange value. This is however a primary concern of the interlocutors who have participated in the creation of this thesis, and thus it must also be a central focus of the coming discussion. Economist Friedrich Hayek's definition of money includes that money should function as "*a standard of deferred payments*", to facilitate exchanges that are not immediately settled (1990, p.68, see also Maurer, 2006). I am aware that Hayek and his work inspired the neoliberal⁵ policies whose consequences anthropologists often describe, yet an honest examination of common concepts is justified. I do not engage with Hayek's political philosophy, but rather focus on his insights on money. Acknowledging that the value of money is not relational and not intrinsic, Hayek's line of reasoning should not be alien to anthropologists (1990, p.69). Hayek (1990) argues:

it would be more helpful for the explanation of monetary phenomena if money was an adjective describing a property which different things could possess to varying degrees. "Currency" is, for this reason more appropriate, since objects can 'have currency' to varying degrees and through different regions or sectors of the population (p. 56)

This understanding of money is not too different from Polanyi's definition of "*substantive money*", and a description relevant to the arguments presented in the chapters. It should however clearly be pointed out that the two were of radically different opinions on other topics⁶. There are a couple of more reasons for why Hayek's (1990) arguments are particularly interesting in the Argentine case. He describes that governments have incentives to expand the supply of money to finance its expenditures, and this sentiment was prevalent among my interlocutors. This argument is furthermore the basis for Hayek's proposed system of competition between currencies and his suggestion that banks should issue currencies in their own denominations (1990).

Sociologist Viviana Zelizer, whose work has inspired me, demonstrates how people are engaged in a form of financial planning she terms "*earmarking*" (1989, p.349)⁷. She finds that the allocation of funds for future needs through earmarking is a way to maintain, strengthen and deepen social relationships. This perspective is made relevant through the chapters to understand how inflation affects people's ability to plan their economic activity. Moreover, Zelizer (1989) finds that people inscribe the allegedly fungible units of "*general purpose money's*" with social meanings. She notes:

... its invisible boundaries emerge from sets of formal and informal rules that regulate its uses, allocation, sources and quantity. How else, for instance, do we distinguish a bribe from a tribute or a donation, a wage from an honorarium or an allowance from a salary? (p. 350)

From this perspective the discussion throughout the chapters demonstrates how people attach symbolic meanings to currencies based on their users, recipients and issuers. Other scholars like Keith Hart argues that money is both a representation of political authority

⁵ Neo-liberalism is sometimes referred to throughout this thesis but is not an explicit focus of mine. See Harvey (2006), Cahill (2018) and Wylde (2011)

⁶ See Ola Innset (2017), Daniel Cahill (2018) and Philip Mirowski for more thorough comparative perspectives on the works of Hayek and Polanyi.

⁷ See also Mary Douglas (1967)

and the symbol of relationship between people (Hart, 1986). Hart (2010) has furthermore emphasized the role of money in the remembering of the past and this is a useful perspective given Argentina's history of hyperinflations and economic crisis. Money as a shared symbol, do as the chapters show, connect the present and the past, allowing for a future to be anticipated. The view of money as a symbol of shared meaning can also be found in Raymond Firth (1951).

In the 21st century, new forms of money are constantly emerging as social phenomena, and the thesis shows how these are adopted for various purposes in the Argentine context. However, instead of monetary plurality developing as a result of "competition" between legacy institutions such as banks, as proposed by Hayek (1990), programmers and tech-companies are the creators and issuers. Zelizer (1998) was foresighted when she argued that: "*indeed, with the explosion of personal computers people's capacity to create and segregate new currencies is expanding even faster than any standardization of international money*" (p. 66). This thesis sheds light on how new monetary forms are, like other forms of money, filled with social meanings. Rather than competition, the term *co-existence* is a more accurate description of how people incorporate new forms of money into their economic practices. Dollars, pesos and "cryptocurrencies" all play a role in how my interlocutors organize their social relationships with money. There are surely many other theoretical perspectives on money that could have been included and applied to the coming descriptions. However, there are of course limitations as to how many can be incorporated into a single analysis. I therefore restrict myself to emphasizing those presented to shed light on the problem the thesis answer to.

A note on methods

I arrived in Buenos Aires without having established any geographical limitation of my field. However, as people agreed to participate in the project, a pattern emerged where most of them lived in relative proximity. Madden (2010) describes the idea of a pre-existent field as an ethnographic cliché and argues that: "*ethnographic fields do not exist beyond the imaginings of the ethnographer*" (p.38). In my case, the construction of "a field" began in December 2021 when I became a member of the WhatsApp-group of the cryptocurrency company Reserve⁸. The first message I sent in this group stated that I was a student of anthropology who was coming to Argentina to study inflation. Some of the people who responded and wanted to contribute became key interlocutors during the six months I spent in Buenos Aires⁹. Because I was going to focus on money as a phenomenon, I found it interesting to get in touch with some of those who are early adopters of new monetary forms. When I arrived in Argentina, I therefore approached events where cryptocurrency was an explicit topic. This was a way for me to create limits in my vision of what I would do while conducting research (Madden, 2010). As a result of my decision, I was introduced to the Espacio Bitcoin Centro Cultural¹⁰, a "community center" that host events related to technology, social inclusion, environmentalism and arts. This "community center" hosts start-up companies, a co-working space for freelancers and organizes events directed at the public. I was offered to use their co-working offices in exchange for participating in the organizing of events that were held at the center. Some of the people I met there have contributed to the project. While it would be interesting to describe the Espacio Bitcoin Centro Cultural itself and the activities that are carried out there, I have in the process of

⁸ It is common for cryptocurrency companies to have group on social media where their users can connect. See www.reserve.org

⁹ I arrived in Buenos Aires on March 28th 2022 and left September 21st 2022.

¹⁰ <https://www.espacioculturalbitcoin.com/>

writing up this thesis decided to not do so. This thesis is concerned with money at large, and not the “cryptocurrency culture” per se. I am aware that the decision to approach these spaces, digital as well as physical has impacted who I got in touch with. It must be said however, that I through my relationships formed at the Espacio Bitcoin Centro Cultural was introduced to people who have no particular interest in “cryptocurrencies”. This way my “field” developed as a “synthesis” between what I encountered and what I have previously envisioned (Madden, 2010, p.39). Furthermore, while social class is not an explicit topic of this thesis, it should be noted that almost all my interlocutors define themselves as being middle-class. Earlier literature on the topic of the Argentine middle-class does however suggest, as I experienced as well, that the Argentine middle-class is not easily described with reference to income (Visacovsky & Garguin, 2021)¹¹. Since class was rarely a focus of interlocutors, I have chosen to not dedicate a lot of space to discussing this in the coming chapters. In my analysis of political lines of conflict, I do however make some references to the middle-class when it is relevant. Beyond this I do not consider those who participated in my research as a homogenous group. They are both Argentine nationals and immigrants, ranging in age from 18-55.

Meetings with my interlocutors did usually take place in public spaces, in their homes or in my apartment. Together we went shopping, invited each other for dinners and spent time in bars. Most of the descriptions presented in the coming chapters is based on data collected through informal conversations and interactions between me and the interlocutors. During these activities I attempted to be as present as possible, and I decided to not use a tape recorder at all. Rather, I kept my notebook with me and made sure to ask if I had understood an opinion or a statement correctly. I feel as if it has been advantageous to my data collection that I was able to direct my attention towards our discussions about concepts they or I wanted to talk about. Because ethnography involves working with people, there are of course differences in how information is shared. One of my key interlocutors, Ricardo, was sometimes unstoppable in his lengthy and in-depth descriptions of Argentina and I willingly listened. I got the impression that he assumed the task of explaining me everything that I would need to know to produce a broad descriptive account of his views and practices. Spradley (1979) describes this kind of a relationship between an ethnographer and a research participant in the terms of that between a student and a teacher (p.25). I can safely say that this is accurately descriptive of how I feel that my relationship with Ricardo developed. In turn, his explanations widened my perspectives in terms of what I was “looking for” during my fieldwork. Sidney Mintz (1979) describes that people reveal a lot of themselves through their decisions, and that this simultaneously uncovers their perceptions of alternatives (p.25). In the case of my relationship with Ricardo, I would say that the way he saw his alternatives contributed to my own exploration of the different ways one can attempt to deal with inflation. This led me to ask questions in my other relationships that I would not have thought about. We built a remarkable relationship over the course of my fieldwork, and although we sometimes disagreed, it was always a dialogue filled with mutual respect and recognition. Ricardo on one occasion told me that he had initially wondered if it would be worth his time talking to me. As we got to know each other, he however insisted that it was important that someone describes the consequences inflation has for people in Argentina. Certainly, I feel a strong responsibility to do justice to his desire of me making accurate descriptions.

However, not all the people who wanted to contribute to the project had a lot of time to spend on “hanging out” and in these cases I did ethnographic interviews (Spradley, 1979).

¹¹ See also Adamovsky (2012)

During these interviews I asked open-ended questions, allowing people to talk broadly about themselves. These interviews also served the purpose of building my understanding for phenomena I had heard or seen elsewhere. In total I did 10 such interviews with people. Some of them were conducted in Spanish and some in English, and my written recording of these interviews was done in the language that was spoken. The general rule that was established in the relationship between me and interlocutors was that we spoke the language they wanted to. In the beginning of my stay my Spanish was not excellent, but it only took a few weeks before I was able to have fluid, lengthy and “deep” conversations. Luckily, I had some prior knowledge of the language and I consider it essential to my data collection that I was not restricted to recording information in English. However, it should be noted that although data is recorded in a native language, the process of writing undeniable involves the translation into the native or selected language of the researcher (Spradley, 1979). In the coming chapters I have included people’s statements in Spanish when this was the language spoken. Although I consider my Spanish to be relatively good, it may of course be possible to disagree with the translations I have made. In translating from one language to another, it is not always possible to translate word-for-word, and thus the process of translation itself, if done wrong may involve altering the significance of a statement (Spradley, 1979, p.24). A way for me to alleviate the risk of misrepresentation was to ask my interlocutors to describe words and concepts in-depth several times.

When I was not spending time with people, I spent time on my own. I often approached political demonstrations, although I was sometimes advised not to do so. In the cases where demonstrations were tense, I decided to keep a low profile. This sometimes meant that I may have been too restrictive in terms of not engaging with those attending protests. However, I was told that a foreigner attending political protests is not necessarily welcome. Nonetheless, I found it useful to be there and observe as it is arguably not the same to record such events through the media.

To study money and expectations was an interesting challenge from the beginning. When I introduced myself as a researcher interested in inflation, most people did immediately assume that I was an economist or political scientist. I nonetheless never experienced anyone doubting the relevance of my project when explaining that I was an anthropologist and interested in how inflation affects the social relationships of people in Argentina. The toolkit on methods in the study of microfinances developed by the IMFTI¹² at the University of California Irvine was a particularly useful guide to my practices in the field. In general, I would describe the structure of my research as having followed along two main objectives. Firstly, to study the wider societal context and the Argentine economy I decided that I would need to create a mapping of observable relationships that is mediated by money. To do so I directed my observations towards identifying such relationships and drew sketches to visualize what I found. In turn, these sketches were elaborated and re-worked as I kept asking research participants questions about things that I had not fully understood. To give a concrete example, I noticed that there were many street signs advertising discounts for anyone who paid in cash. At first, I had no concept of why this was the case, but when I asked about it, I was explained that it was because some businesses keep separate accounts for “cash” and electronic payments due for tax reasons. I could thus include this in my illustration of how different forms of money flow and was given new questions. This way of “moving” between observations, accounts and reflection

¹² Institute for Money, Technology and Financial Inclusion. The toolkit can be accessed through this link: https://www.imtfi.uci.edu/files/consumer_finance_research_methods_project/IMTFI%20Consumer%20Financ e%20Research%20Methods%20Toolkit%20-%202020.pdf

yielding new questions has been described by Spradley (1980) as the ethnographic research cycle. Moreover, I understood that it would be important for me to follow the news as they were presented in the media closely. This way I would be able meaningful conversations about ongoing events that concerned them. I therefore decided to follow the same outlets as they did to get an impression of what sources informed their narratives. Early in the fieldwork period I observed that the Argentine media like the political discourse, is highly polarized. Therefore, I concluded that it was necessary to watch and read news from sources that were explicitly pro or anti-government.

Secondly, besides exploring narratives and public relationships, I was interested in how people manage their money. In a time where most money is electronic there are few material objects that can be observed, but I was able to notice how people paid for things. I asked questions about which types of money they used for different purchases and what distinction they make between the different ones. I had some concerns before leaving for fieldwork that people would be hesitant to speak with me about how they manage their personal finances. After all, what decisions people make with money can reveal quite a lot about people (Mintz, 1979, p.25). It did however turn out to be quite easy to have conversations about the topic, which I believe should be ascribed to my selection. I also made it very clear from the beginning that I would use pseudonyms for anyone who wanted to participate in the project. Which data has been included or excluded in my analysis is the outcome of the negotiations between my interlocutors and me. Some of my interlocutors do operate out the law in one or several ways, so I have made sure to be careful with any bits and pieces of information that may serve to identify people.

Of course, neither of the two approaches to study money I have described above would have made sense on their own. My descriptions throughout the chapters are the outcome of a merging between the two during both fieldwork and the writing process. In the writing of the thesis, I have gone through the material I primarily coded according to themes and patterns discovered in the field. There are surely many perspectives, both theoretical and empirical that I could have emphasized based on the information collected. My commitment to those I have chosen, is based on my judgement of their relevance to the interlocutors' descriptions of how inflation affects social life. I do however want to clarify that this thesis is not an attempt to account for how all Argentines and other residents in Buenos Aires see their home. I believe it offers some perspectives, and I am humble towards the variety of opinions and feelings that one may have about the topics discussed.

Structure of the chapters

Chapter 2 begins with a descriptive account of my first experience with the parallel market for currency exchange in Argentina and how my key interlocutor Ricardo guided me through it. This leads the topic onto Argentine political history from 1945 to the present. The reason for going so far back is in part because Ricardo argued that Argentina's history was key to understanding why inflation remains a problem in. I am aware, that a full historical account is not achievable within the limits of this thesis and that I may certainly have excluded important things. Nonetheless, the purpose of this chapter is to identify some lines of conflict that will re-appear throughout the other chapters. Bits of Ricardo's personal story is included as a supplement to what has been found in the literature.

Chapter 3 addresses the topic of credibility and is a continuation from where the previous chapter ended. The chapter is introduced with an interaction between Ricardo and me

indicating the importance of money as a source of memory. From this point of departure, the chapter describes that Argentina currently is characterized by a lack of credibility awarded to its institutions, currency and politicians. The chapter argues that this leads to the peso being rejected as a *standard of value*.

Chapter 4 chapter is about "dollarization" and contrasts the role of the peso with that of the dollar. It begins with a story of a kidnapping in 1975 and the origins of dollarization. The chapter then describes my return to the parallel market for currency exchange, and introduces Emmanuel who works as a currency broker. Attention is then directed at how "dollarization" is both a practice and mode of thought for my interlocutors, before discussing a proposal by some economists and politicians to dollarize the entire Argentine economy.

Chapter 5 begins with a brief reflection on why spending money was an essential part of my methods during fieldwork. The reader is then introduced to my interlocutor Ana and the difficulties she faces in the market for wage-labour. Furthermore, I describe my personal experience in the market for property rentals. The chapter argues that inflation makes the peso unsuitable as a *medium of exchange* in economic transactions that are not immediately settled.

Chapter 6 discusses the topic of choice and calculation. The chapter shows how the decisions of Leandro and Pablo are affected by inflation. Furthermore, the chapter suggests a methodological approach to the study of choice by defining choice as an imaginative process. To illustrate the effectiveness of the suggestion I describe how Ricardo's commitment to future scenarios reflects his understanding of Argentina as it was in 2022.

Chapter 7 discusses "cryptocurrencies" and their ideological origins. The chapter contrasts this ideological heritage with how people adopt these forms of money.

Chapter 8 concludes the thesis and tries to give some final reflections on how money is contested, shaped and understood among residents in Buenos Aires. Furthermore, it suggests some areas for future ethnographic enquiries into the topic.

Chapter 2

Historical context

“Welcome to the tyranny”

It was a hot and sunny morning on the 30th of March 2022 when I was sitting on a bench by the “Obelisco”, the iconic monument located in the middle of Avenida 9. De Julio in Buenos Aires. After having spent a couple of days familiarizing myself with the city, I was getting increasingly excited about exploring the life I had come to study. While sitting by the “Obelisco” I was chatting to Ricardo via WhatsApp and this morning, he guided through my first experience with acquiring pesos in the parallel market for foreign currency.

At the time of writing this, there are at least a dozen different exchange rates between the dollar and the peso. Which exchange rate one gets when converting is dependent on a variety of factors, and explaining the details of each of them is not necessary here. Throughout the chapters I will mainly refer to the two rates I experienced as relevant to my interlocutors and myself. The “*official exchange rate*” or “*cambio oficial*” is the rate at which dollars are exchanged for pesos through commercial banks and licensed money brokers. The “*unofficial exchange rate*” or “*cambio blue*” is the rate given by private brokers in what is called the “*blue market*”. When chatting to Ricardo, I explained that I had dinner the night before and paid for the meal with my Norwegian debit card. Thus, my Norwegian Kroner (NOK) were exchanged for pesos at “the official rate”. At the time I made the payment this gave me 116 pesos for each dollar, while the “blue rate” was 201 pesos. The 2000 pesos I spent on dinner therefore equalled roughly 17 dollars. Had I instead paid with pesos acquired at the “*blue rate*”, the price would have been approximately 9 dollars. When Ricardo learned that I had not been able to exchange money at the “unofficial rate”, he immediately came to my assistance and sent me the contact information of a private broker he trusted. The individuals who work as brokers are known as “*cueveros*” and their offices are called “*cuevas*”, or “*caves*”. Ricardo explained that I would save a lot of money by exchanging my money this way, and simultaneously avoid “*financing the tyranny*” (*financiar la tirania*). I did not immediately understand what he meant by this, but he explained that whenever I used my card, I would contribute to filling the reserves of the Argentine central bank. Prior to my departure, I read Kristoffer Myklebust Svendsen’s (2015) description of how he exchanged dollars in the “blue market” (p.18). Svendsen (2015) describes that he went to Uruguay by ferry to withdraw dollars from an ATM and later convert them in the “blue market”. To clarify for the reader, who might wonder why I could not withdraw dollars from an Argentine bank, capital controls have since 2011 restricted the purchase of dollars (Perelman, 2021, p.2). There are some exceptions allowing certain groups to buy 200 dollars a month at the “official rate” but most people have no such access.

I had unfortunately not been foresighted enough to bring any dollars with me to Argentina and did not want to go to Uruguay during my first week in the field. Ricardo told me, however, that his broker would let me sell the dollar-pegged “*stablecoin*” USDT for pesos. The term “*stablecoin*” refers a kind of “cryptocurrency” which is designed to equal the value

of an underlying asset, in this case dollars. USDT is issued by the company Tether¹³ and in theory they hold one dollar in a bank account for each USDT they issue. Because I had some familiarity with "cryptocurrencies" I welcomed that I would be able to exchange USDT for pesos. USDT can be acquired through several cryptocurrency exchanges, and as I already held an account with an exchange¹⁴, I decided to use this one. I logged into my account, and purchased 400 USDT with my debit card, and immediately received the USDT in my account. I then started making my way towards the address which Ricardo sent me. When I walked through the streets of the city centre, I observed currency brokers on the streets offering their services to anyone passing by. In the street Calle Florida in particular, I heard people shouting "*Cambio*", "*Dólares*", "*Casa de cambio*"¹⁵ in an almost rhythmical manner. Had Ricardo not already given me a recommendation, I would have found someone to exchange with here. The men and women who stand on the corners of Calle Florida are referred to as "*arbolitos*" or "*small trees*" and they are usually employed by a "*cueva*" to which they bring you upon request. As I got closer to the address of the broker, I became increasingly worried about the legality of what I was going to do¹⁶. There was a lot of police in the area, and I texted Ricardo and asked him if I should worry about them. He responded quickly and assured me that "*the police are some of their best customers!*" Ricardo gave me the phone number of the broker and explained that I should write them before arriving. The appropriate to establish contact was to ask "*cuanto pagan?*" or "how much do you pay?" Shortly after I texted the broker, they responded with the current exchange rate. Despite no longer being worried about the police, and having announced my arrival to the broker, I was still nervous. For almost 50 minutes, I walked in circles around the city centre, passing by the offices of some of the world's biggest banks and government ministries. When I got my nerves under control, I stopped outside the address where an employee was checking IDs at the entrance. I had provided the broker with my passport details, and hoped I would not find myself in the awkward situation of being denied at the door. My Spanish was not sufficient at the time to explain myself and be discrete at the same time. Fortunately, I was let through the door and into the stairway leading down towards the brokers' office. I arrived at the correct door and rang the doorbell. A voice asked "*quien es?*" or "*who is there*" and I stuttered my name. The moment I came through the door, all my illusions about a "shady" operation faded as I walked into a bright waiting room with a leather sofa, tables and scented sticks where vibrant pop music was playing from speakers. From the waiting room I could see that there were several doors leading to smaller rooms, and I patiently waited to be called into one of them. A voice called me in, and I was met by a very friendly clerk who asked me what I was doing in Argentina. I explained that I had come to understand how inflation affects the life of the people. This statement of purpose was often well received, and the conversation continued while the clerk ran the pesos I ordered through a counting machine. After I had sent them USDT and both of us seen that the amounts corresponded I was given a rubber band to put around the peso-bills, and a brown paper bag to keep them in.

I walked relieved out of the office, surprised by the professionalism of the operation. Few of my prior assumptions about illegal markets were relevant to describe the experience of exchanging my money. I could now leave my debit card in the bag for the remainder of my stay, and manage myself with cash obtained from a "cueva". Later that night I reflected on what I did when exchanging my money and concluded that I had bought pesos at a

¹³ <https://tether.to/en/about-us>

¹⁴ I used the Binance cryptocurrency exchange for this purpose.

¹⁵ "Exchange", "Dollars", "House of exchange"

¹⁶ The parallel exchange of currency is not legal, but the prohibition is rarely enforced.

lower price than the Argentine state wanted to sell them to me. Thus, my questions about the role of money in Argentine society were already many. However, the sentence of that day which echoed in my head was Ricardo' telling me that using my card was "financing the tyranny".

The rise and fall of Perón

The week after my trip to the "cueva" I met Ricardo in person for the first time. Until then we had only been sending text and voice messages. The first time Ricardo and I spoke was on WhatsApp before I went to Argentina, and he then told me that "*the key to understanding Argentina's situation is the history of the country*" (*el clave para entender la Argentina es la historia*). The conversation we had on our first presential meeting became a deep dive into this statement. While a full examination of Argentine history is beyond the scope of this chapter, it is necessary to give a brief account of some key moments and developments over the last 80 years

In 1973, former president Juan Domingo Perón returned to Argentina after living in exile since his democratically elected government was overthrown by the armed forces in 1955. Historian Luis Alberto Romero (2012) describes that Perón was part of a military government in the 1940s and elected president in 1946 when democratic elections were held. During the 1940s, from his position as secretary of labour, Perón successfully managed to politicize the working class and mobilize their support (Romero, 2012, p.113) In his first term as president, he used this favourable standing with the workers' movement to promote industrial development, employment and social justice (Romero, 2012; see also Ciria, 1974). After the second world war, Argentina was punished for having taken a neutral stance, and the relationship with the United States became increasingly difficult. Romero (2012) describes that Argentine exports were a potential competitor to the United States and that the US used its influential position to discourage European countries from trading with Argentina (p.119). For example, European countries receiving the Marshall plan were not allowed to spend these dollars on imports from Argentina (Romero, 2012, p.120). In response to declining opportunities in the export markets, Perón's government adopted policies of subsidizing national industries and focusing on Argentina's internal market. Romero (2012) writes that:

Nationalization of the economy and state control were keys to the new economic policy. The other – and perhaps the most important – had to do with the workers, with maintaining full employment and improving their standard of living, probably more in response to political considerations than to economic ones. (Romero, 2012, p.124, my translation)

Prior to the second world war, Perón had spent a period in Europe and been inspired by the way the state was structured under by Benito Mussolini (Romero, 2012, p.129). Accordingly, Perón's vision of the role of the state became that it should act as a mediator, resolving conflicts between different sectors of society (Romero, 2012). Before Perón, Argentina had mostly been ruled by an elite with close ties to the country's agricultural exporters (Romero, 2012). Romero (2012) describes that Perón's labelling of this industry as the "oligarchy" served the purpose of strengthening his support among "the people" of the working class (p.132). Balancing power between these sectors was key to Perón's mentioned vision of the state as a promoter of industrial development. This required a centralization of power, and to achieve this, Perón began a process of restructuring public institutions and subordinating them to the power of the president. Romero (2012) describes this process as the "*peronization*" of society's institutions and that the Peronist

party (PJ)¹⁷, the state and Perón himself increasingly authoritarian (p.145). Propaganda and the restriction of press freedom contributed to quelling his opposition in this period. In June 1955, the navy conspired to kill Perón by bombing the presidential palace in Buenos Aires. The plan failed dramatically, and 300 civilians were killed by the bombardments (Romero, 2012, p.149). A few months later however, Perón's regime came to an end as he sought refuge in the Paraguayan embassy. In the decade following Perón's fall, the Peronist movement was dismantled, and its political party prohibited (Romero, 2012, p.157). He was now referred to by the state-controlled media as "*the deposed dictator*" (Romero, 2012, p.157, my translation).

Decades of military coups

The military remained in power until 1958 when elections were held, and Artur Frondizi (Union Civica Radical Intransigente)¹⁸ became president (Romero, 2012, p.162). In part, his victory was achieved due to an agreement between Frondizi and Perón himself meaning that the government found itself in a dilemma regarding how it should govern a society with sharp tensions between Peronists and anti-Peronists (Romero, 2012; see also Ciria, 1974). When Frondizi asked the IMF (International Monetary Fund) for help in 1958, the government began implementing austerity measures that were in direct conflict with the state-led development which was central to Peronist ideology (Romero, 2012, p.164). The freezing of salaries and cuts in public subsidies made it difficult to maintain the loose coalition that had been assembled a few years earlier.

In 1963, the Peronist party was still prohibited from running for the presidency, and Arturo Illia (UCRP¹⁹) won the presidency with only 25,1 percent of the popular vote. The military removed Illia in 1966 and banned all political parties for an indefinite time as well as dissolving the congress and provincial legislatures (Romero, 2012, p.196). By the 1970s, the country was again in economic trouble, and although Perón had been living in exile in Madrid for nearly 20 years, his ideology remained popular among segments of Argentine society. Whereas the authoritarian turn of Peronism in the beginning of the 1950s had primarily been oppressive towards the upper and middle classes, the governments that followed had negatively affected sectors of the lower-middle class as well (Ciria, 1974, p.29). It was thus a broader coalition of social classes that welcomed the return of Perón in 1973. Since Perón was still denied running for office, the Peronist party ran Hector Campora as its presidential candidate (Romero, 2012, p.218). Campora won the election but resigned from office only two months after his victory. In September 1973, a new election was held and Perón was elected president with his wife Isabel as his vice-president. Perón's third government became a short-lived affair as Perón died in 1974 and was succeeded by his wife Isabel Perón. The power vacuum left after the death of Perón resulted in widespread social chaos and economic crisis, and urban guerrillas committed regular acts of terrorism during this period (Romero, 2012, p.234). In 1976, Isabel Perón was removed from office by the army led by Rafael Videla. During the years of the military dictatorship, the military government purged the political opposition, and repressed civil society. Thousands of people were kidnapped, tortured and murdered by the regime.²⁰ The

¹⁷ Partido Justicialista founded in 1947

¹⁸ The UCRI was a fraction of the Union Cívica Radical. It was disbanded in 1972.

¹⁹ Union Civica Radical del Pueblo

²⁰ The violence committed by the Argentine dictatorship is often referred to in the literature as "the dirty war". See Jennifer Adair (2020) for a thorough description of the dictatorship years.

atrocities committed during the years of the dictatorship are today known as the dirty war, and still many Argentines have gotten no answers as to what happened to their loved ones.

My interlocutor Ricardo was born in the middle of the 1970s, just before Videla had ousted Isabel Perón. A set of economic policies implemented in 1975 by her minister of economy, Celestino Rodrigo, resulted in an event known as the "*Rodrigazo*". On the 5th of June 1975, the peso was devalued 100% against the US dollar, gas prices increased by 175%, and electricity prices also doubled. The policy shock resulted in an economic chaos and inflation reached 350% later the same year (Landi, 1979, p.126). The "*Rodrigazo*" is one of the events which Ricardo highlighted as important in his explanation of Argentine history to me. Ricardo's family had for generations been strongly opposed to Peronism and he described that his father told him: "*the people were begging for the military to intervene and put an end to the disorder of the country*" (*la gente pidieron a los militares: por favor, que terminen con este desorden*).

Democracy returns

In 1983, democracy returned to Argentina with the election of Raúl Alfonsín of the UCR (Union Cívica Radical). There were high hopes that the return of democracy would solve Argentina's economic and political problems as Alfonsín attempted to re-establish constitutional order (Romero, 2012; see also Adair, 2020). In his effort to do so, he tried to subordinate corporative interests to public institutions (Romero, 2012, p.277). Alfonsín was however eventually forced to concede position in his governments to unions and corporations (Romero, 2012, p.293). Inflation had been high since 1982, and the military had left Argentina heavily indebted after getting loans from the IMF (Romero, 2012). In 1985, Alfonsín tried to stabilize the country's economy through what became known as the "plan austral" (Romero, 2012, p.290; see also Conde, 2009). Among the measures included in this plan was the freezing of wages, prices and public utility rates, as well as the introduction of a new currency called the "*austral*"²¹. Romero (2012) describes that the plan was successful in the short term, but failed to solve the deeper conflicts of interest in Argentine economy. Alfonsín's presidency ended with a hyperinflation in 1989 and this event was the second Ricardo emphasized in his account of the last 80 years of Argentine history. Ricardo was only a child when Alfonsín's government tried to bring Argentina into a more prosperous era. He explained that his family felt the consequences of the economic plans implemented in 1985 and that his grandfather was forced to sell some of his properties. He further recalled that he was asked by his father to watch the price of the dollar when it was announced on television every day at 12.00. Then he would call his father at work to inform him about the exchange rate.

After the collapse of Alfonsín's government, the Peronist party returned to power for the first time since 1975. The party had however changed since the death of Perón in 1974 and its members of parliament had split into two distinct groupings. Carlos Menem (PJ), who succeeded Alfonsín as president in 1989 belonged to a group known as the "*renovadores*" or "*renewers*". Menem and this faction wanted to change Peronism in the direction of more market friendly policies, but still maintained the rhetoric of social justice (Romero, 2012,p.301). To stabilize the economy, Menem and his minister of economy Domingo Cavallo adopted a series of policies which were in accordance with the Washington Consensus, including the privatization of public enterprises and reduction of public spending. The currency "austral" was replaced by a new peso which by law was pegged to the US dollar in a 1:1 relationship. This policy became known as "the convertibility" (la

²¹ The Austral remained in circulation between 1985 and 1991, see Romero (2012)

convertibilidad) and prohibited monetary emission beyond what could be supported by the dollar reserves of the central bank (Romero, 2012, p.340). The policy was successful in terms of bringing down inflation and Ricardo recalled this period as one filled with optimism. This is the only time in his life he experienced consecutive years of single-digit inflation rates. Moreover, Ricardo argued that it was *"not only the economy that became liberalized"* (no solo fue una liberalización económica) in the 1990s. He continued: *"when you open people's minds you cannot close them again"* (cuando abres la mente de la gente, no la puedes cerrar). In his opinion, this development had begun in 1987, when Alfonsín legalised divorce. He also cited Argentina's participation in the US led coalition who fought in the 1st gulf war. To Ricardo this was a symbol of the country's reorientation towards improved relations with *"the west"* (el occidente).

Although Menem's policies were successful in reducing inflation and attracting foreign capital, unemployment remained high throughout the 1990s (Romero, 2012, p.340). Romero (2012) describes that Menem had authoritarian tendencies and willingly circumvented congress as he governed by decree. Furthermore, his administration was notoriously corrupt, and there were some allegations that officials participated in organized drug trade (2012, p.316). Economically, the Menem government faced issues towards the end of the 1990s. The fixed exchange between pesos and dollars made Argentine products expensive in the global markets and a crisis in Mexico in 1995 caused foreign capital to be withdrawn from emerging economies. Similarly, a crisis in the Brazilian economy in 1998 reduced demand for Argentine exports, and when Menem left office in 1999 another economic crisis was looming²² (Romero, 2012; see also Thomas & Cachanosky, 2016).

The 2001 crisis and the birth of Kirchnerism

When Fernando De la Rúa (UCR) assumed power in 1999 he inherited a weak economy and a significant dilemma regarding whether to continue with the fixed exchange rate or not. This was a major concern because the wide coalition of parties he represented did not agree on the topic (Romero, 2012). Despite efforts by the De La Rúa government to reduce the fiscal deficit, it was not able to maintain confidence with foreign investors who withdrew their capital from the country. Cuts in public spending further fuelled social protests which had begun during Menem. Romero (2012; see also Gezmis, 2018) describes how welfare services were dismantled during the neoliberal policies of Menem's government, and the reduced presence of the state resulted in the emergence of *"organizaciones sociales"* (social organizations) filling the void (p.330). To quell the protests of these organizations, the government gave them the responsibility of distributing welfare plans. Thus, a system was established where the government directly subsidized organizations which tried to pressure it (Romero, 2012). Among other things, these organizations organised a form of political protest called *"piquetes"* that consisted of blocking public roads. Such protests are still common in Buenos Aires, and I witnessed them frequently during my fieldwork. Ricardo' dislikes these protestors and believe this form of protest is a symptom of everything wrong with Argentina. *"They have been doing this for 30 years and they are getting nowhere. They should get an education and work instead of sitting in the street!"* (están haciendo esto hace treinta años y lograron nada. Deben educarse y trabajar, no sentar en la calle)

²²For an in-depth review of the fiscal problems of Argentina during this period see Carolyn & Cachanosky. (2016) They argue that Argentina would likely have entered default regardless of the economic crisis in Mexico and Brazil.

In late 2001, all hopes of avoiding economic disaster dwindled for the De La Rúa government. The impending default encouraged people to move their dollars outside Argentina and withdraw deposits from the banks. On the 1st of December 2001 the government intervened and restricted the amount of cash which could be withdrawn (Romero, 2012, p.346). During this chaos, Ricardo was one of many Argentines who fought to retrieve his deposits. He had just become a father and furiously stormed into his bank where he managed to retrieve portions of his deposits. This bank run²³ of 2001 is now commonly referred to as the "*corralito*" (p.346), and it constitutes a key moment in recent Argentine history and the "*collective memory of the people*". (Sonia Prelat, 2021, p. 181, my translation). De La Rúa was replaced by Eduardo Duhalde (PJ), who in 2002 converted dollar deposits of bank customers into pesos (Romero, 2012, p.347). Parity between dollars and pesos was now a policy of the past as the peso had devalued to 0.25 cents.

If the late 1980s and the 1990s were decades of "liberalization" and "westernisation", the "*corralito*" marked a significant shift in Argentine politics towards the roots of Peronism. In 2003, Nestór Kirchner (PJ) was elected as president after former president Menem dropped out of the final ballotage (Romero, 2012). Kirchner represented a return to the classical Peronist view of the state's role in the developing of society and during his presidency between 2003 and 2007, Argentina saw the return of economic growth, declining unemployment and a significant reduction in poverty (Wylde, 2011; Cachanosky;2018). This in part due to an unprecedented increase in global prices of commodities such as soybeans, a primary Argentine export. Beyond the economic recovery, the new government was able to include broader segments of society into the political process (Gezmis, 2018). Like Perón had mobilized the working class 50 years earlier, Kirchner managed to incorporate the some of the "*organizaciones sociales*" into the political machinery of the Peronist party (Hanson, R & Lapegna. P, 2018, p.180).

Cristina Kirchner Fernández de Kirchner and the revival of old conflicts

Political Scientists Barlow and Peña (2022) write that after the 2001 crisis, "*emergency taxes*" were imposed on the country's exporting industries (p.404). Justified by the severe economic situation of the country after the 2001 crisis, these taxes were largely accepted by these industries as necessary evils (Barlow & Peña). By 2007, economic conditions had however improved and the justification for the continuation of these taxes changed (Barlow & Peña, 2022, p.412). Official statements from the government instead emphasized the need to finance increased levels of public spending on subsidising energy, transport and social assistance programmes (Barlow & Peña, 2022, 414). By arguing that the taxation regime was necessary to finance their political agenda, they achieved sufficient support from the benefactors of these redistributive policies (Barlow & Peña). It had however ignited an old conflict of interest within Argentine society. The agrarian sector who traditionally has been opposed to Peronism, now found themselves financing a political agenda they did not agree with (Barlow & Peña).

In 2007, Cristina Fernández de Kirchner²⁴ succeeded her husband Nestór Kirchner as president. In 2008 her administration faced widespread protests the taxation regime

²³ A bank run refers to a situation where depositors simultaneously attempt to withdraw their deposits, causing a shortage of liquidity. This phenomenon may occur in systems with "fractional reserve banking" where banks only partially have reserves that cover people's account holdings.

²⁴ Hereby referred to as Cristina Kirchner

imposed on the agricultural sectors. Kirchner had won the election on a promise of continued development and social justice and depended on continued revenues from exports to deliver such policies. To legitimise the taxation regime imposed on the exporting industries, the president's rhetoric hardened. In line with the rhetoric of Juan Perón, she framed her policy as being in the interest of "*the people*" and against the "*oligarchy*" (Romero, 2012, p.118, see also Barlow & Peña). The urban middle and upper classes who historically oppose such rhetoric and Peronist policies also became targets of the increasingly polarizing president.

In a salient speech, the president defined pro-rural rallies as 'protests of abundance' (to differentiate from those of 2001) led by selfish and oligarchic sectors refusing to share "the burden of development", while considering the rural leaders and their middle-class supporters as "golpistas" and anti-democratic, a vocal minority opposed to wealth redistribution" (Barlow & Peña, 2022, p.417)

In 2011, Cristina Kirchner won re-election, and later the same year capital controls were introduced. Commodity prices had now begun to decline and there was less revenue to be made from the taxation of exports. As the foreign currency reserves were drained by the increasing costs of importing energy growth began stagnating. Like her dismissal of the 2008 agrarian protests, the capital controls were legitimised through blaming transnational businesses and middle-class sectors for "*wasting the dollars on imports*" (Barlow & Peña, p.417). It was in this period that the "*blue market*" for the dollar started to grow as fears of another inflationary cycle grew (Barlow & Peña, 2022).

Cristina Kirchner left office in 2015 and was replaced by Mauricio Macri of the opposition coalition Cambiemos. Cambiemos was an alliance of opposition political parties, where Macri's party PRO²⁵ was the dominating force (Barlow & Peña). Ricardo voted for Macri in 2015 and had some hopes that he would implement an agenda of economic liberalism like he believes to be the solution for Argentina. In hindsight, Ricardo believes Macri was neither willing nor able to profoundly change the structures of the Argentine that he believes leads to unsustainable public spending. Macri was only given one term in office as he lost to Alberto Fernández (PJ²⁶) in 2019. Cristina Kirchner also returned to government, but this time as the vice-president. Elections are scheduled for 2023, and a new government is to assume charge in January 2024. Currently, the polls indicate that Fernández' government have slim chances of re-election, with the opposition leading in the polls²⁷. While the PRO party in general is perceived as more market-oriented and economically liberal than the Kirchnerist coalition "Frente de Todos" (FDT), Ricardo believes that they will fail again if given another chance at governing. He therefore intends to vote for Javier Milei (LLA)²⁸, a radical libertarian economist who according to Ricardo will get rid of the "*political caste*" ("*la casta política*") responsible for Argentina's lack of prosperity.

Concluding remarks

Democracy in Argentina has been resilient since the end of the military dictatorship in 1983 but this chapter shows that the country's political history is filled with conflict and unpredictability. Perón managed to provide people who had been neglected by Argentina's ruling elite with an unprecedented level of recognition and political influence. However, in doing so, he simultaneously defined a line of conflict which to this day dominates Argentine

²⁵ Propuesta Republicana (PRO) is a centre-right political party. Other notable politicians include 2023 presidential candidate Patricia Bullrich and governor of the City of Buenos Aires Horacio Rodríguez Larreta.

²⁶ Partido Justicialista (PJ) is the Peronist party. It was founded by Perón himself.

²⁷ <https://www.iprofesional.com/politica/380803-encuestas-clave-para-las-elecciones-hay-un-favorito-claro>

²⁸ La Libertad Avanza (LLA) is a right-wing party founded by Javier Milei, and Victoria Villaruel in 2021.

politics. Events like the economic crisis of 1975, 1989 and 2001 all marked ideological shifts in Argentine politics. The “Rodrigazo” of 1975 was followed by eight years of a brutal and repressive military dictatorship that indebted the country. When democracy returned in 1983, it was expected to solve most of the country’s problems but ended in a hyperinflation which made way for a decade of neoliberal reforms. The economic crisis of 2001 resulted in ideological re-orientation towards the revitalization of the state as a provider for citizens (Gezmis, 2018; Wylde, 2011). The collective memory of Argentines like Ricardo is as described by Prelat (2021; see also Visacovsky, 2018) filled with narratives of these events and their aftermaths. Prelat writes that:

The cyclical crisis in Argentina is represented by critical events which at the same time configure generational communities of perception, catalyze the creation of official narratives and popular ideas about what to do in the face of crisis. This way, the Argentine citizens interpret the economic instability that will be coming” (Prelat, 2021, p.162, my translation

The term “*crisis*” in the Argentine case could be understood as referring to two different concepts. Firstly, it refers to individual events like those described and their immediate consequences. Secondly, the Argentine crisis is characterized by what Conde (2009, p.244) calls “*the long decline*”, referring to a gradual loss of prosperity of time. Daniel M. Knight (2021), who for decades have studied economic crisis in Greece, uses the term “*chronic crisis*” (p.121) to describe similar sentiments as Prelat (2021) and Conde (2009):

Crisis now commands a monopoly over every possible future, such that the idea of a future catastrophe has become a real force in the ordering of lives and worlds in the present. Crisis has taken hold as both a backdrop to and a condition for the intimate terrain of everyday lives (Knight, 2021, 121)

The next chapter looks at the interpretations of Argentine history their implications for of the present. Concepts like “lack of credibility”, “corruption” and “illegitimacy” are all relevant to my interlocutors understanding of Argentina’s problems. Furthermore, these narratives have implications for how people think about money and the institutions of the state. What happens with money as a universal standard of value (Maurer, 2006) in the context of “*chronic crisis*”?

Chapter 3

A credibility crisis

I was sitting in Ricardo's living room while he prepared lunch for us in the kitchen. He went back and forth between the two rooms while our conversation ranged across the usual topics: the war in Ukraine and other events in international politics. We could go on for hours speculating on how the war would unfold over the next few years, and if peace would be restored on the European continent. During these conversations, I often got the feeling that Ricardo was more engaged with and knowing of European politics than many Europeans themselves. If such distinctions make sense in a world where cross-continental relationships are at the tip of our fingers and geopolitics affect lives in every corner of the world. At one point Ricardo went into one of the three bedrooms in his apartment. He came back with a small bag and said that he wanted to show me something. One by one he drew bills of currency out of the bag and placed them on the table in front of me. The rarest gem in the collection was probably a German reichsmark from 1923. After emptying the bag, he asked me to analyze three of the bills, A 1000 Argentine pesos, 50 Uruguayan pesos and a 100 dollars. "*You are an anthropologist and this is monetary archeology*" (*Eres antropologo y esto es arceología monetaria*) he said with a smile, and returned to the kitchen. By now I had gotten quite used to Ricardo giving me mysteries to solve. It had gotten to the point where we jokingly referred to his apartment as "*the university of Villa Crespo*"²⁹ and Ricardo was my head "teacher" (Spradley, 1979, p.25). The task he gave me on this occasion was to identify how two of the mentioned bills were similar. I struggled to understand what to look for and began examining the text on each of the bills but did not reach a conclusion before Ricardo interrupted me:

I don't like to see you suffer...put the peso bill on top of the 100 US dollar bill. Look! The size is identical. In the 1980s, the ATMs could not give bills of different sizes. They did this in the event that rapid dollarization was needed. (No me gusta verte sufrir. Pone el billete de mil pesos arriba de los cien dolares. Mira! El tamaño está igual. En los 1980's, los cajeros no pudieron dar billetes de tamaños diferentes. Esto hicieron en caso que se necesitaba dolarizar rapidamente.

The austral, the currency that circulated briefly during the presidency of Raul Alfonsín, was the first Argentine bill to be identical in size as the dollar. Furthermore, Ricardo explained that it was not only the size of the bills that made it different from the old pesos. The presidents depicted on the new bills were only those constitutionally elected, illustrating the optimism on behalf of democracy that characterized the period after the dictatorship fell. In the bag that Ricardo had emptied on the table, there were bills from all the different series of Argentine currency that had circulated between 1970 and 2022. I went on to organize the bills chronologically while the smell of old paper spread through the room. Meanwhile, Ricardo narrated the procedure, and shared his experiences associated with the different series. The bills were graspable reminders that inflation is a part of life for Ricardo and has been for most of his lifetime. While Ricardo was busy explaining and I continued my investigation of the bills, his daughter came over to the table eager to "assist" me. Ricardo told her that "*we need to let Jonas work in peace now*" (*Tenemos que dejar Jonas en paz para que trabaja*) and took a bill out of her hand. Ricardo and I had spoken a bit about his thoughts about Argentina's future, and his primary concern was that for his

²⁹ Villa Crespo is a neighborhood in Buenos Aires. For the sake of anonymizing the location of Ricardo's apartment, I substitute his neighborhood with this one.

daughter. He does not want her to live through the same instability and economic concerns as himself. Memories from his own childhood serve as powerful reminders: "*When I was a kid, the bus drivers could not count the bills. They weighed them! (Cuando yo era chico, los colectiveros no pudieron contar los billetes. Los pesaron!)*" Ricardo explained, while I visualized the scene in my mind. After I had placed out all the bills, Ricardo took a deep breath and said:

This is the history, Jonas. About a state which promises but never delivers. I use this history to protect myself" (Esto es la historia Jonas. De un estado que promete pero nunca cumple. Uso esta historia para protegerme)

It is from this conversation that the title of this thesis "*Paper promises*" originates. According to Ricardo, inflation is "*una estafa*" (a scam) and the different series of currencies is the evidence of broken promises between the state and citizens. To me, Ricardo's associations with each of the different series provided a window into understanding how money serves as "*a source of memory*" like Hart (2010) suggests (p.159). For Ricardo, these bills invoked memories and feelings of being tricked and lied to and that something that was rightfully "his" had been taken away with the passing of time. Such feelings are characteristic of the "*long decline*" (Conde, 2009) and the "*chronic crisis*" (Knight, 2021, p.121). This chapter describes how Ricardo and others understand the drivers behind this historical continuum of cyclical events (Visacovsky, 2018; Muir, 2021).

Corruption, "La grieta" and suspicions of political clientelism

Like most ethnographers (Gupta & Muir, 2018; see also Shore & Haller, 2005), I did not enter the field explicitly interested in the topic of corruption. However, it was frequently used as an explanation for why Argentina is stuck in a form of "*societal captivity*" (Knight, 2021, 124). This term argues Knight (2021) describes how the feeling of individuals unable to progress is reflected on a societal level. My interlocutor Teo described:

We are at a point where no one believes in the government but follow their rules. It does not matter who is in charge, no one trust their decisions and everyone thinks they are corrupt. How can you start to bring value or believing in the development of a community if you believe that the organization above that is corrupt?

Visacovsky (2018) observes that Argentina, after the 2001 crisis, was described in public discourse as a "*patient*" who was "*terminally ill*" and that "corruption" was a part of the explanation for the "diagnose" (p.318). In these terms, the 2001 crisis was not only economic, but symptomatic of a moral degradation (Visacosky, 2018; see also Jorge, 2018). Such discourses of corruption serve a dual purpose argue Sharma & Gupta (2006) because they allow people to construct the state symbolically while simultaneously defining themselves as citizens (p.226). Being aware of corruption means that people can distinguish the undesired state of their present from their ideological and moral ideals (Sharma & Gupta, 2006). In the Argentine case, who is to blame for the corruption varies according to how Argentina's history is interpreted (Visacosky, 2018). Within these different interpretations of national history, political lines of conflict play an important constitutive role. Visacovsky & Enrique Garguin (2021)³⁰ argue that the emergence of a distinct middle-class identity happened during the first government of Perón, and that a common interpretation among the middle-class is that the moral degradation of society started during this period (Visacovsky 2018). Today these divisions are reflected in the term "*La grieta*" in public discourse (Jorge, 2018). "*La grieta*" translates to "*the crack*" and is a metaphor for divisions in society that above all is defined by polarization between

³⁰ See also Adamovsky (2012)

Kirchnerists and *anti-kirchnerist* (Jorge, 2018). *Kirchnerism* is by my interlocutors understood as the ideological continuation of a political culture they argue started with Perón. My interlocutor Pedro described:

The fanatics [kirchnerists] are fanatics like the nazis. They think they are the best. The others want to live in freedom, but they are anesthetized, they are doing nothing. The opposition is quiet, they have their internal problems of leadership. Argentina always stagnated because of leaders and generating fanatics. From Perón to now. And this is not good. To be able to print and generate economic catastrophe I think Perón invoked a culture that is not of work, but paternalism. And it worked and works for the government and current politicians. It is convenient for them to have digital analfabets. This way they have votes, they are loan sharks of poverty and businessmen of poverty.

Los fanaticos son fanaticos... como los nazis. Creen que son los mejores. La oposición son 'quiet'. Tienen su problema interior de liderazgo. La argentina siempre se destacó por tener lideres y generar fanáticos. Desde peron hasta esta parte. Y eso no esta bueno. Para poder imprimir y generar una catastrophe economica creo que Perón invuló una cultura que no es del trabajo, sino del paternalismo. Y sirvió y sirve a los gobiernos y a los politicos actuales. Les conviene tener gente analfabeta digital. Porque de esa manera estos tiene votos, son usureros de la pobreza y negociantes de la pobreza.

Pedro's statements can be understood as if he considers inflation an intentionally elaborated policy. In this lies an argument that by creating new money for redistribution, Perón, and later the Kirchner's were able to ensure political support. In accordance with my descriptions in the previous chapter, Pedro describes that trade unions are a part of this economic relationship:

The truck drivers' union is another example. I rember him [the leader] when he had nothing. Today he has four houses. How did he make the money? Corruption, business, politics. (Camioneros son otro ejemplo. Yo lo conocí³¹ cuando no tenia nada. Hoy tiene cuatro casas. Como hizo la plata? Corrupcion, negocios, politica.)

The general mistrust Pedro feels towards public officials and politicians are rooted in examples like these: unexplainable wealth accumulated by individuals who have held public office for most of their lives. Relationships that by democratic ideals are supposed to be public and accessible to everyone by civil participation are understood to be seized by private interests (Muir, 2021). One can argue that when the separation between the public and private is not respected, the credibility of the institution's officials represent is undermined (Muir, 2021). "Corruption" is by Pedro, like what Muir (2021) finds, understood to "pervert" the relationship between the political, economic and "civil society"³². In line with Pedro's descriptions, Perelman (2021) argue that many middle-class Argentines are suspicious of the welfare benefits managed by the "*organizaciones sociales*" that were briefly mentioned in the previous chapter. During the presidencies of Nestór and Cristina Kirchner, some³³ of these became closely affiliated with the Peronist party (Hanson & Lapegna, 2018). These organizations having the responsibility of managing "*planes sociales*" (welfare plans) is interpreted as maintaining a form of political clientelism

³¹ Conocer can mean both "to know" and "to meet", in this context I have interpreted this as "remember" or "got to know"

³² I do not engage with a longer discussion of the term "the civil society", but Muir (2021) notes that "civil society" in neoliberal visions of the state is considered a key broker between the state and the market.

³³ Hanson and Lapegna (2018) describe that the "*organizaciones sociales*" which emerged in the 1990s was largely replaced by organizations close to the Kirchners. My interlocutors did not make any distinction between these organizations although there are various. Because they did not make any distinction between them, I do not dive into their differences. It must however be noted that not all "*organizaciones sociales*" are aligned with Kirchnerism.

(Perelman, 2021). Subsequently, their leaders are understood as "corrupt" intermediaries acting in the interest of politicians. Mia, a research scientist expressed her view:

The social organizations fight for their rights as if they were unions. The money that the government gives, the help, the assistance goes through some social organization and everything is dark. The money goes through different levels of corruption and does not arrive where it is supposed to arrive. The state has to control that, it is our money, it is a question of order, a minimum. Some things have to be very clear.

Besides the suspicions of political clientelism, Perelman (2021) describes that it is a common view among the middle-class that the poor spend their money unwisely (p.263). This opinion was found among my interlocutors as well. Ricardo argued that: "*the planeros [people receiving welfare plans] are sitting in the street, but still have iPhones*" (*los planeros están en la calle pero tienen iPhones*). His statement gives the impression that people have material goods they are not entitled to because they are not working. These sentiments can be understood in terms of Zelizer's (2011) distinction between different forms of payments. Payments argues Zelizer (2011) indicate different social ties:

Money as compensation implies an equal exchange of values and a certain distance, contingency, bargaining and accountability among the parties. Money as entitlement implies strong claims to power and autonomy by the recipient. Money as a gift implies subordination and arbitrariness. (Zelizer, 2011, p. 137)

In these terms, the money from "*planes sociales*" are perceived as "*gifts*". They are understood not as rightful "*entitlements*", but as payments for political support. These payments are considered morally inferior to the "*compensation*" which is earned through paid work. "*Effort*", "*work*" and "*personal responsibility*" are all values that have been lost in the process of "*moral degradation*" (Visacovsky, 2018; Jorge, 2018). Pedro described:

Clearly, what I can tell you is that we don't know how to manage the money. This is a part of the history. We don't know how to generate incentives for investment, it's all management. Living of the state, dependence of the state is very fixed. It is bad. It is an evil which. My mother said that the whole world wants to live of the milk of the state. And the cow dies. The state is dead. (Claramente lo que puedo decirte es no sabemos administrar la plata. Pero eso es una parte la historia. No sabemos generar incentivos para la inversión, es todo gestión. Esto de vivir del estado, dependencia de vivir del estado es muy arreglada. Eso es mal. Es un mal que. Mi madre decía que todo el mundo quiere vivir de la leche del estado. Y la vaca se mueren. El estado está muerto.)

The conflict around the "*planes sociales*" is one example of the unsolvability of Argentina's problems which characterize discourses of "*La grieta*" (Jorge, 2018). These economic relationships between the state and some groups in society can be understood as contributing to the sensation of being kept in "*societal captivity*" (Knight (2021, p.121). The conflict can be described in the terms of a perceived cyclical pattern illustrative of this feeling: 1) "*organizaciones sociales*" are visible through their political mobilizations in support of the government and 2) the government maintains its relationship with these organizations through conditional monetary transfers and 3) these monetary transfers are understood as driving inflation higher because, 4) these organizations demand increased funding for "*planes sociales*". It may be argued that "*corruption*" ceases to be only discursive when its narrated sentiments can be attached to observable relationships. Because "*the state*" is perceived to be part of such relationships, that are deemed illegitimate, its credibility on a broader level becomes "contaminated". Thus, when Ricardo told me that I should not use my cards to avoid "*financing the tyranny*", this may be understood as the essence of the argument: *the peso is seen as part of a system where discretionary use of political power achieves ends deepening Argentina's economic and moral problems*. Ricardo also believed that the IMF should never loan money to Argentina. In his

view "*the IMF are financing the corrupt*" (el FMI están financiando a los corruptos. Personally, he avoids contributing to the system that he considers illegitimate.

Taxation

From his apartment Ricardo runs an online business, and in 2018 he decided to stop accepting pesos. He only establishes market relationships with people outside Argentina and during the time I spent with Ricardo, he regularly received notifications on his cell phone telling him that "*x sent you money*". He took great pride in staying connected with customers that are located anywhere in the world and accepts essentially any other currency than the peso as payment. Firstly, the decision to not accept pesos protects Ricardo's income in the present from the gradual devaluation caused by inflation. Secondly, it does not matter to him how much the peso is inflated in the future by public spending. This way he is not only disconnected from the exchange value of the peso, but also from the political agenda of the government. By earning in a foreign currency, he can "*live peacefully*" (*vivir tranquilamente*) as Ricardo expressed it. However, because of the fixed exchange rate between the peso and the dollar, he is not able to bring his income to Argentina through the banking system. Doing so would cause him to lose 40% of his capital in comparison with selling these dollars in the "*blue market*"³⁴. Furthermore, he disagrees with the government's justification of the capital controls. The argument for maintaining the separate exchange rates is that the central bank needs dollars to finance imports (Barlow & Peña, 2022), but Ricardo described the government as responsible for the shortage:

If you are lacking something, you should ask: why am I lacking? The answer is very easy. There is a lack of dollars because the real price of the dollar is not 120. Nobody sells at 120, so the government do not have dollars. At 240 there are dollars. The solution is to devalue." (Si te falta algo deberias preguntar: porque me falta? La respuesta es muy facil. Falta dolares porque el precio real no esta 120. Nadie vende a 120, entonces el gobierno no tiene dolares. A 240 hay dolars.

To Ricardo, the official exchange rate does not reflect the true value of his income. Moreover, if he accepted it and brought his money to Argentina legally, he argued that he would pay another 40% in taxes. The previous chapter briefly mentioned that "*emergency taxes*" were imposed after 2001 crisis to finance the rebuilding of the Argentine economy (Barlow & Peña, 2022). Although the empirical focus of Barlow & Peña (2022) is on the agrarian sector, I find their arguments to be applicable in a broader sense. None of my interlocutors claimed that they were paying all the taxes they should, and they all have ways to avoid the AFIP³⁵ (tax collecting agency). There was one particularly illustrative moment during my fieldwork regarding the general sentiments towards taxation among my interlocutors. I was sitting in a bar with two friends, when our conversation came onto the topic of. One of the two worked in a public office for almost six years and explained that he never paid a peso in taxes. The other was surprised of the fact, but the spontaneous reaction was nonetheless to exchange a "*high five*". Barlow & Peña (2022) argue that taxation is a "*central mechanism in the experienced relationship connecting individuals, society, and the state*" (p. 405). Furthermore, they describe that theories of tax compliance in fiscal sociology are mainly centred on two different theories of reciprocity. Firstly, "*vertical reciprocity*", referring to the contractual relationship between citizens and the state and secondly, "*horizontal reciprocity*" which refers to solidarity between the members

³⁴ As of the 13th of May 2023, the official price of the dollar is 228,50 and the "blue rate" is 469,00 according to the newspaper La Nación

³⁵ Administración Federal de Ingresos Públicos

of a community (Barlow & Peña, 2022). Paying taxes in Argentina is pointless according to Ricardo because *"the money will be stolen by politicians or spent on sustaining people living of government benefits"* (*Los políticos lo van a robar o gastar en planeros*). Thus, it can be understood as if neither of the conditions for legitimacy described above by Barlow & Peña (2022) compels him to comply with tax laws. Although it may seem lucrative to earn an income in dollars and not pay taxes, some sacrifices must be made to maintain such a practice. The salary Ricardo makes through his business can never enter *"formal"*³⁶ economic relationships because he has no way of justifying them to tax authorities. The way he brings his income to Argentina is by receiving payments in foreign bank accounts and buy USDT that later can be sold in the "cuevas". On paper, Ricardo works as a steward who barely earns a minimum salary, and he is therefore unable to buy an apartment, a car, or have any property registered to his name. Faced with the alternatives of financing a system he considers corrupted or staying outside all systems he has nonetheless opted for the latter. Although the evasion of taxes goes against the "rule of law" which Ricardo believes in as an ideological ideal, it is understood as a legitimate form of conduct. More than being motivated by individual greed, his tax evasion can be understood as a rejection of the transactional relationship between the individual and the state (Barlow & Peña). For Ricardo to pay taxes, this relationship should involve payments as *"compensation"* (Zelizer, 2011) and be reciprocal (Barlow & Peña, 2022). Ricardo argued that if he lived in *"any other country"* (cualquier otro país), he would happily pay his taxes because he *"would get something in return"*. Instead, paying taxes implies that he would need to sell his dollars for pesos, a currency which he has rejected as a trustworthy standard of value. (Maurer, 2006).

Political authority and the value of money

In May 2022, a delegation of representatives belonging to a UN agency were travelling to Buenos Aires for a conference ("La ONU", 2022). A letter was sent out to the participants, where the organizers were explicitly recommending that they bring dollars to sell in the *"blue market"*. This letter was picked up by the media and described as a *"scandal"* by an Argentine official cited in the article ("La ONU", 2022). When I read this story in the news, I immediately shared a link to the article with Ricardo on WhatsApp and asked him what he thought of it. He had already read the article and found it embarrassing that the UN, of which Argentina is a member, were educating visitors to Argentina on how to circumvent the law. Not in the sense that the delegation was doing anything wrong, but as evidence of how little credibility is awarded to the exchange rate regime. If bodies of international organisations do not recognise the official value of the Argentine peso, why would anyone else? Sharma and Gupta (2006) write:

The structure of bureaucratic authority depends on the repetitive re-enactment of everyday practices. These iterative practices are performative (Butler, 1990) in that rather being an outward reflection of a coherent and bounded state "core" they constitute that very core. It is through these re-enactments that the coherence and continuity of state institutions is constituted and sometimes destabilized. (p.13)

In line with Sharma & Gupta (2006), the exchange rate regime can be understood in the terms of *"re-enactment"*. Since barely anyone can access the official exchange rate to buy dollars, this value of the peso is never *"re-enacted"* (Sharma & Gupta, 2006) and therefore not coherent with personal experience. In other terms, it does not provide equivalence in the conversion between pesos and dollars (Hayek, 1990; Callon, 1998). For this reason, it

³⁶ The terms "informal" and "formal" economy were coined by Keith Hart. In this context, "formal" refers to economic transactions where the origin of funds must be provable. See Hart (2016)

is perceived as a fictitious, and merely communicative construct as indicated in Ricardo's understanding that "*the real price of the dollar is not 120*". The concept of "*performativity*" (Callon, 1998;2006) has been applied to the communicative practices of central banks by Douglas Holmes (2009). Holmes (2009) argues that central banks committed to inflation targeting³⁷ shape the future of the economy through establishing official narratives by means of communicating their expectations about the future (p.385). The demand for money is thereby manipulated through an anchoring of people's expectations (Holmes, 2009). If a central bank is successful, these official narratives guide the actions of individuals and firms towards the central bank's goal of achieving price stability and a stable rate of inflation (Holmes, 2009). Maintaining a stable currency is thus a collaborative practice where central banks and economic actors together produce an economic phenomenon (Holmes, 2009). A regime of such inflation targeting was briefly attempted in Argentina between 2016 and 2018 but abandoned after only 25 months (Cachanosky & Mazza, 2021). According to Cachanosky & Mazza (2021) the programme failed for two main reasons. Its success depended on a surplus in the treasury or an increase in the demand for pesos. Beyond this strictly fiscal explanation offered by Cachanosky (2021), a "*thicker description*" (Geertz, 1973, p.314) must emphasize the lack of credibility which is awarded to the authority of the Argentine central bank (BCRA). As Firth (1951) notes, "*the confidence of every individual in the monetary system is a matter of delicate adjustment and is a function of his wider confidence in his fellows*" (p.124). In line with a performative approach to economic phenomena and state institutions (Holmes, 2009; Sharma & Gupta, 2006; Callon, 2006), the central bank should in the terms of Firth (1951) be considered "*a fellow*". Holmes (2009) argue that central banks attempt to "*influence virtually all transactions that are in one way or another contingent on financial mediation*" (Holmes, 2009, p.388).

Espinosa (2015) describes that the independence of the BCRA has not been respected, and that it became more politicized during the presidencies of Cristina Kirchner. The first example of politicization given by Espinosa (2015) was the Kirchner administration's creation of the fund "*el fondo del bicentenario*" (*the bicentennial fund*). This fund was supposed to use 6,569 billion dollars of the BCRA's reserves to pay off public debts (Espinosa, 2015, p.21). Then president of the Argentine central bank Martin Redrado refused, claiming that the president was violating the autonomy of the central bank. Shortly after, Redrado was removed by Kirchner after allegations of "*malconduct*" (Espinosa, 2015, p.21). On the topic of autonomy, Holmes (2009) writes about his study of central banks that:

Despite this daunting power these government entities have gained a striking degree of independence from political accountability, particularly in the last two decades; over this same period the aims and goals of these institutions have narrowed and converged around the attainment of a particular policy outcome, price stability (Holmes, 2009, p.388)

Contrary to the development Holmes (2009) describes, the responsibilities of the BCRA were expanded in 2012. The new charter of the BCRA³⁸ states that:

The goal of the bank is to, by means of its capacities and within the framework of the policies established by the national government, oversee financial stability, monetary stability, employment and economic development with social equality. (El banco tiene por finalidad promover, en la medida de sus facultades y en el marco de las políticas establecidas por el gobierno nacional, la estabilidad monetaria, la estabilidad financiera, el empleo y el desarrollo económico con equidad social.

³⁷ Inflation targeting was first attempted by the central bank of New Zealand.

³⁸ <http://servicios.infoleg.gob.ar/infolegInternet/anexos/65000-69999/66194/texact.htm>

This formulation replaced the following text:

The primary and fundamental goal of the Argentine central bank is to protect the value of the currency. (Es misión primaria y fundamental del Banco Central de la República Argentina preservar el valor de la moneda.) (Charter of the BCRA, pre-2012³⁹)

An argument can be made that the simultaneous fulfilment of the goals defined in the new charter is not always possible. For example, economic theory describes an inverse relationship between employment and inflation that is known as "*the Phillips curve*" (Holmes, 2009, p.394). Furthermore, the new charter explicitly states that it is the national government who is responsible for the framework under which the central bank operates. Thus, it could be expected that the central bank is likely to change its policies depending on the government. Given the questionable independence of the BCRA it is necessary to expand Holmes (2009) argument beyond practices of the central bank. The idea that the value of money is dependent on expectations has been communicated by the current president Alberto Fernández himself:

A big portion of the inflation is self-constructed, it is in the head of the people; people read in the newspaper that gas prices are going to increase, and raise their prices to be certain. Inflation prevents the projecting of the future and makes everything more difficult. It is unfortunately true that us Argentines are almost experts in projecting the future with inflation and what we have to do is to eradicate this logic. ("Alberto Fernández", 2022, my translation)

Despite agreeing on the fact that inflation is a problem, Ricardo ridiculed the president for this statement. In his view, inflation is a failure of the state and not an individual responsibility as can be interpreted from the President's statement. This interpretation furthermore suggests that money can also be understood as a "*service*" (Blomberg & Darrah, 2015)⁴⁰ offered to society by its issuing body. This understanding of the role of the central bank was also defined in the charter of the BCRA⁴¹ before the changes made in 2012. The old charter stated that:

The bank should develop monetary and financial policy aimed at protecting the functions of money as store of value, unit of account and means of payment to cancel monetary obligations" (El Banco deberá desarrollar una política monetaria y financiera dirigida a salvaguardar las funciones del dinero como reserva de valor, unidad de cuenta e instrumento de pago para cancelar obligaciones monetarias)

In the above definition of the central bank's objectives, it and thereby the state, is not only responsible for supplying *any money*, but money that fulfil certain functions. In line with the previously described narratives of "moral degradation", the abandonment of the central bank's responsibility to protect the value of the peso, can be understood to confirm Pedro's hypothesis that inflation is an intentional policy. Subsequently, the lack of institutional credibility means that a greater emphasis is put on politicians and their actions. Espinosa (2015, p.24) argues this is a characteristic of Latin-American countries. This can furthermore be understood in relation to Visacovsky's (2018) observation that politicians became the embodiment of the problems people identified as having produced the 2001 crisis in Argentina.

³⁹ <https://www.argentina.gob.ar/normativa/nacional/ley-24144-542/texto>

⁴⁰ I do not engage at length with this perspective here, but I consider it interesting. Bloomberg & Darrah's (2015) use of the term "*co-creation*" to describe the design of services could be compared to Callon (1998;2007) and Holmes (2009) on performativity and how economic theory is "*designing*" economic phenomenon.

⁴¹ <https://www.argentina.gob.ar/normativa/nacional/ley-24144-542/texto>

The assassination attempt on Cristina Kirchner

During my fieldwork in Buenos Aires, there was continuous public debate about an upcoming judiciary case against the vice-president Cristina Kirchner, and on the 1st of August, the allegations were made public. The prosecutor accused Cristina Kirchner of having abused her power to give public work contracts to the businessman Lazaro Baéz (Salinas, 2022). When the charges were announced, Ricardo initially met them with a shrug although he had been very clear about his opinions about Kirchner. He argued that even if the vice-president was sentenced, she would not end up in prison anyway because there is no justice in Argentina. Ricardo explained that to escape imprisonment Kirchner would probably run for senate to get impunity or flee to Cuba.

After the allegations were announced, the supporters of the vice-president gathered outside her home in a massive showing of support. The picture included shows how the front door of the apartment-building where Kirchner lives was decorated with messages of love and support. I took this photo during one of my visits to the protests. The allegations against the vice president were publicly dismissed by the president Alberto Fernández and the case labelled as “*judicial persecution*” (“Alberto Condenó”, 2022)⁴². For nearly ten days the streets surrounding Kirchners apartment were filled with her supporters and there were regular confrontations between them and the city police. To establish order in the area, the governor⁴³ of Buenos Aires, deployed the city police and ordered the building of barricades. Responding to the action taken by the city governor, Kircher herself released a statement⁴⁴:

They want to prohibit totally peaceful and happy demonstrations of love and happiness against the obvious persecution by the judicial party. (Cristina Kirchner, public statement, 27.08.2022)



Picture. 1: Messages of love and support outside the home of Cristina Kirchner. “All of us with Cristina” was one most frequent slogans. Photo taken by me.

On one occasion I went to observe the protest with my interlocutor Felipe. He is a former chef, but at the time we met he was working independently as a trader of financial assets. In line with what I have described about political clientelism, Felipe believed many of the protestors who had shown up were getting paid to participate. “*Some of these people will earn more money coming here than I would earn working in a kitchen*”, Felipe said, expressing his frustration towards those attending the protest. The tension of the protests peaked later the same week when an assassination attempt was made against the vice-

⁴² <https://www.lanacion.com.ar/politica/causa-vialidad-alberto-fernandez-defendio-a-cristina-kirchner-hoy-es-un-dia-muy-ingrato-nid22082022/>

⁴³ Horacio Rodríguez Larreta (PRO)

⁴⁴ The statement was published on Kirchner’s personal website: <https://www.cfkargentina.com/las-vallas-del-sr-larreta/>

president ("Atentado a Cristina", 2022)⁴⁵. As she stepped out of her car, a young man approached her with a firearm and pulled the trigger. Fortunately, the chamber of the weapon was not properly loaded, and no lethal shot was ever fired. The following day, I was somewhat shocked by the attempted assassination, and I reached out to some of my interlocutors to hear their opinions on what had happened. The overwhelming majority of my interlocutors initially believed that it had not been a real assassination attempt, but a "false flag" operation. Ricardo expressed: "*who tries to kill the vice-president without loading the gun?*" (*quien intenta matar a la vice-presidenta sin una bala en la camara*). Felipe was also convinced that the attack was staged, because Kirchner had continued to speak calmly to and take photos with her supporters after the incident. Felipe's arguments went along the lines that it was in the self-interest of the vice-president to fake an assassination attempt and later appear as a hero narrowly who narrowly escaped death. President Alberto Fernández blamed the political opposition and media for their "*discursos de odio*" (*speeches of hate*) against the vice-president ("Atentado a Cristina", 2022)⁴⁶. No matter how compelling the suspicions against the factuality of the assassination attempt may have been, the subsequent investigation did indeed find that the attack was real. I was nonetheless reminded of the level of mistrust which dominates the political discourse. Both because of the doubt among my interlocutors that the attack was real, but also because the protests outside Kirchner's were supportive although she had just been charged with serious crimes.

Concluding remarks

This chapter has through various perspectives argued that conflicts regarding distribution of wealth in the form of money, is at the heart of Argentina's "*chronic crisis*" (Knight, 2021). Such conflicts originate in different interpretations of national history, and this is reflected in my interlocutor's understanding of the peso as a political tool. The peso can therefore be understood to belong in a morally distinguishable "*sphere*" because of the social ties payments create between politicians and certain groups in society (Bohannon, 1959; Zelizer, 2011). This inscription of the peso with moral qualities can thus be seen as a distancing of the self from "the state" as it is constructed through discourses of corruption (Sharma & Gupta, 2006). The perceived embeddedness (Polanyi, 2018; Granovetter, 1985) of the peso in illegitimate relationships of political clientelism therefore undermines its function as a universal standard of value, and in the case of Ricardo as a medium of exchange (Maurer, 2006). Accordingly, Ricardo has decided to only form market relationships (Abolafia, 1998) that are not mediated by the peso. Subsequently this means that he rejects a contractual relationship with the state through taxation. The chapter also argues that the value of money is a relational phenomenon (Hayek, 1990; Maurer, 2006) and confirmed by a process of repetitive "re-enactment" (Sharma & Gupta, 2006; Holmes, 2009). Because the official exchange-rate of the dollar cannot be experienced on an individual level, it is rejected as a fictitious construct. Moreover, the changes in the charter of the BCRA are understood to confirm my interlocutors' expectations that there will be more inflation in the future.

⁴⁵ https://www.clarin.com/politica/atentado-cristina-kirchner-alberto-fernandez-volvio-apuntar-medios-llamo-construir-amplio-consenso-discursos-odio-violencia_0_WuSJhhJpzH.html

⁴⁶ https://www.clarin.com/politica/atentado-cristina-kirchner-alberto-fernandez-volvio-apuntar-medios-llamo-construir-amplio-consenso-discursos-odio-violencia_0_WuSJhhJpzH.html



Picture 2: Taken by me during an anti-government protest on the 23. April. The banner says, "fewer politicians, more citizens".

Chapter 4

“Dollarization”

What we know about the behavior of individuals having to cope with a bad national money, and in the face of government using every means at its disposal to force them to use it, all points to the probable success of any money which has the properties the public wants if people are not artificially deterred from using it (Hayek, 1990, p.85).

In June 1975, brothers Juan and Jorge Born, heirs to the company “Bunge & Born”⁴⁷, were released for a ransom of 60 million dollars (Kandell, 1975). Nine months earlier they had been kidnapped after their car was assaulted by members of an urban guerrilla in Buenos Aires. A business associate and their private chauffeur were shot and killed in the incident while the brothers themselves were transported to a “people’s prison” (Kandell, 1975). According to spokesmen for the guerrilla known as “*Los Montoneros*”, the brothers were guilty of exploiting their workers and therefore “sentenced” to serve a year in captivity (Kandell, 1975). They were however released as soon as the demands of the kidnappers were met. I had asked Ricardo on several occasions when he believed that dollarization begun in Argentina, and who started it. It was not an easy question to answer of course, but I nonetheless had to ask. Ricardo’s mother sold an apartment for dollars in 1978, so he knew that by then the dollar must have been widely accepted as a means of payment. This was shortly after the “*Rodrigazo*” of 1975 had caused a period of severe inflation, suggesting that people were looking to access stable currency (Landi, 1979). This event may certainly have contributed to the adoption of the dollar as a preferred currency, but many countries⁴⁸ have experienced hyperinflations without the long-lasting dollarization that has taken place in Argentina. One morning when Ricardo and I had our coffee in a café close to his home, he seemed more excited than usual to see me. I do believe both of us truly enjoyed our routinely meetings at this café as they always led to interesting conversations, but this time was special. He told me that he had reflected a lot on my question about when dollarization began in Argentina, and that he had a new theory as to why and how it happened. I was happy to hear that he had thought a lot about my question and straightened my back on the edge of the chair. Ricardo described:

The guerrilla who taught the people to buy dollars! How could people know if bills were false or not? Someone must have taught them. The people saw that the guerrilla requested ransom money in dollars. (La guerrilla enseñó a la gente comprar dolares! Como sabían si los billetes eran falsos o reales? Alguien los enseñó. La gente veían que la guerrilla pidieron el rescate en dólares.)

Today, the 60 million dollars that was demanded for the release of the Born brothers equals roughly 300 million dollars adjusted for inflation. According to the guerrilla themselves (Kandell, 1975), most of the ransom was paid in cash, and in Ricardo’s opinion it was surely done in dollars. Firstly, one dollar at the time of the payment equalled five pesos, so it would have been a lot more difficult to transport the money. Secondly, the guerrilla would need to use the money outside Argentina. Thus it “made sense” to Ricardo that they demanded the money in dollars.

⁴⁷ Bunge & Born is a big corporation in the agricultural business

⁴⁸ For an examination of hyperinflations in Brazil, Nicaragua and Israel, see Szybisz, M. A., & Szybisz, L. (2017)

If the guerrilla actively taught people to identify false bills is not known, nor whether it inspired the people to reject the peso as preferred currency. Historians might however be encouraged to explore the topic, as there is no clear answer to be found about when the appetite for dollars developed in Argentina. This chapter breaks down “dollarization”, a term which refers to the replacement of the peso with dollars for monetary functions, down to two distinct concepts. Firstly “*personal dollarization*”, that is captured by the term “*dolarizarme*” or “*dollarizing myself*”, and secondly “*state level dollarization*” which refers to a policy which is suggested by some politicians and economists (Cachanosky, N. & Ravier, A., 2015). In Argentina, such a policy of *de jure* dollarization of the economy has never been attempted. However, the “*cuevas*” can be understood as institutions where a *de facto* dollarization and dual-currency system is established through the act of exchange.

Inside “the blue market”

Shortly after I arrived in Buenos Aires, I was looking for a “*cueva*” closer to my home than the one Ricardo had recommended me. To find one, I asked an interlocutor for a recommendation and found the contact information of Emmanuel who became my favoured currency broker. Usually when I entered his office, he was sat behind a desk while watching the recent price action on the NASDAQ stock exchange. There he monitored closely as the red and green “*candlesticks*”⁴⁹ took shape, telling him how his current trade was going. Trading derivatives is a hobby he has had for a few years, and now he did so with substantial success. He described it as a process of hard learning but that he now took more money out of the market than he put in. It is however not the trading of derivatives which is Emmanuel’s primary venture. For the last four years he has been dedicated to facilitating the exchange between pesos and dollars. While this business is socially accepted, it is nonetheless a difficult one. The margins are small and the competition tough. Emmanuel accepts both USDT and physical dollars, but he does not sell digital pesos because it requires using bank accounts. This would imply additional risk due to the traceability of digital money. Emmanuel often let me sit and talk to him for an extra while when I came to exchange money, and on one of these occasions, it was the first day he operated out of a new office. For a period, he had been exchanging money in his personal home, but complaints from neighbours about traffic in the hallway forced him to find a dedicated location. I was apparently his first customer in the new office when I arrived early in the morning and sat watching the interactions between Emmanuel and his clients. Some of those who came by while I was sitting in the office wanted to buy physical dollars or USDT to save or use abroad, while others obtained pesos to spend. Every customer was met by a smile and handshakes at the end of the exchange, everybody is a “*amigo*” (*friend*) or “*hermano*” (*brother*) in Emmanuel’s “*cueva*”. Emmanuel told me that he liked this job because he met a lot of different people during his workdays, and that it felt good to help people. After hanging around for a while, I caught Emmanuel and his colleague in a moment of stress. It was turning out to be a particularly volatile day, and the phone was starting to run hot. When the price of the dollar is rapidly changing, it becomes a challenge for Emmanuel to make sure that he does not exchange at a loss. “*The customers are ruthless*”, he explained. They are always looking for the “*best*” exchange rate and if you price yourself out of the market, business will be anything but good.

In the beginning of his career as a currency trader Emmanuel tried to beat the market by setting a significantly lower price than his competitors. As a result, he had lost money, an experience he told me about while he was walking restlessly around the room. “*El mercado*

⁴⁹ Term referring to the visual representations of price movement in charts used for trading financial assets.

te enseña” or *“the market teaches you”*, he said, implying that there are forces beyond his control which tells him what to do. When the market is shaky and the price of the dollar increases, *“the whole world wants to buy it” (todo el mundo lo quiere comprar)*, further accelerating the price towards the upside. The dynamics of fear and greed which is often used to describe behaviour in financial markets is certainly relevant to the parallel market for the dollar. Sometimes Emmanuel runs out of pesos, because the dynamic works both ways. If the price of the dollar is moving down, the buyers rush to sell them, fearful that price will continue to go lower. People like Emmanuel absorb the risk others do not want to take when they buy the pesos people try to get rid of. Like Emmanuel said himself about his business: *“te quito un problema”*, or *“I alleviate you of a problem”*.

Dollarize what you have

The problem that Pedro faces as a public employee who gets paid in pesos is to dollarize his savings and he is therefore a user of the “cuevas”. In September 2022 for example, he had 30.000 pesos which he exchanged for 100 dollars. Besides buying dollars in the “cueva” he occasionally buys government bonds and stocks through a financial agent⁵⁰. He explained that these assets can be bought in pesos in Argentina and sold for dollars in the United States⁵¹. Pedro described that he tries to stay *“a 100% dollarized” (trato de estar dolarizado al cien por ciento)*, and that he does not want pesos. However, when Pedro receives his salary, he always plans the payment of his expenses before allocating some of it for saving. Zelizer (1989,1998,2011) has described such planning of personal finances as *“earmarking”*. She demonstrates that people differentiate units of currency by giving them particular social meanings (1998) and attaching them to future actions. In other words, the social meaning of bills under a mattress is different from the ones kept in a wallet. Saving money can thus be considered a way of anticipating a future which is unknown, but inflation makes the peso unsuitable for such purposes. Pedro described how people reason when they receive pesos:

The first thing people do is to buy whatever thing. You can buy a tv or a car today, but tomorrow you don't know. They prefer to buy consumer products to not have the peso and say: well, it gave me this pleasure. (Lo primero que hacen es comprar cualquier cosa. Un TV o un auto puedes comprar hoy pero mañana no sabes. Tal vez, se prefiere comprar cosas de consumo para no tener los pesos. Decir bueno, me di este gusto.)

Furthermore, the peso is also unreliable for *“earmarking”* purposes due to prices rising quickly. According to Pedro, it becomes difficult to evaluate whether things are expensive or not when inflation is high. He described:

Inflation is so high that you lose the reference if something is cheap or expensive. A fridge costs 1 million pesos. Is it cheap or expensive? I don't know. I don't know!?! A trip in a taxi from the city centre to Palermo. Is it cheap or is it expensive? They tell me that a distance of 3km is 1000 pesos. By my calculations they are crazy, but its usual and people do it. They spend 1000 pesos on a trip and later you pay 500 for a pizza. Half the price of the trip. Two pizzas, one trip. It's disconcerting.

La inflación es tal que se pierde la referencia si algo es barato o caro. Un heladera sale 1 million de pesos es barato o caro? No sé. No sé! Un viaje en taxi sale mil pesos desde el centro a Palermo. Es caro o barato? No lo sé. A mi me dicen una distancia de 3 km es mil pesos. Para mi calculos están loco. Pero es comun y la gente lo hacen. Se gastan mil pesos en un viaje y despues una pizza sale a quiniento pesos. La mitad del viaje. Dos pizzas un viaje. Es descontentanto.

⁵⁰ Financial agents are intermediaries which help people invest their money. The term in Spanish is “agente financiero”.

⁵¹

Pedro's statement can be understood as indicating that the peso is not considered a reliable standard of value. Although he can access the dollar and protect his capital, Pedro views the capital controls as demotivating. In his opinion there should be no restrictions for those who want to buy foreign currency:

You should be able to decide in what you want to save! In what you want to spend your money. It is a private property, it [the capital controls] is meddling with private property".
"Es que vos podés decidir en que quieres ahorrar! En que querés usar tu plata. Es una propiedad privada. Esta metiendose en la propiedad privada.

Perelman (2021) describes that after deposits of bank customers were confiscated in 2002, the dollar became a symbol of resistance and a unifying object of identity for many middle-class Argentinians (p.262). Hart (2010) describes that "*for property to be property it must endure, and that relies on memory*" (p.159). For many Argentinians like Pedro, limitations in the access to the dollar can be understood to challenge their way of remembering the 2001 crisis. Like Ricardo described in the previous chapter, remembering the past is a way of protecting oneself in the present, and adopting the dollar is a way of disconnecting from the fluctuations of the peso. Unlike the peso, the dollar is a source of stability that allows for projecting the future. Revisiting the terms of Bryant & Knight (2019), the "*futurity of the future*" (p.55) that is filled by expectation is different when using the dollar as a reference. In this sense, dollarizing oneself can be seen as a mode of thought as well as a concrete practice. When the previously mentioned capital controls were implemented in 2012, they sparked widespread protests (Perelman, 2021). These protests were not only concerned with the limitations on access to dollars but a perceived threat towards a way of life. Perelman describes:

The dollar synthesized this process: lack of freedom (to purchase dollars, to travel, lack of security, lack of rights, state interference in private life, and the government's choice to support the lazy and "los negros"⁵² over the workers and so on (Perelman 2021, p.262).

This sentiment can also be identified in Pedro's description of how he likes to store his dollars. Firstly, he prefers USDT or digital dollars over cash because storing physical bills is a source for concern. Pedro has vivid memories of the 2001 crisis and the lootings that took place. If a similar social climate of violence and crime occurs again, he regards it as unsafe to store money in his home. Secondly, he argued that depositing dollars in the bank is "*the worst thing you can do, because then the state has it*" (*lo peor que podés hacer porque entonces lo tiene el estado*). He furthermore described that he lost his stocks in a private pension fund in 2012, and he therefore considers keeping money in bank accounts as a risk because of potential government intervention. The uncertainty and volatility he associates with the peso makes Pedro believe that it would be a good solution to replace the peso with the dollar as the official currency. According to him, what gives money value in the first place is "*trustworthiness and credibility*" (*confiabilidad y credibilidad*) and he continued: "the national government has neither" (*ambas cosas no tiene el gobierno nacional*).

Dollarize the nation?

Political scientists Brett R. Bessen and Brendan J. Connell (2022), describe that dollarization in Ecuador was framed as a solution to an institutional crisis and hyperinflation that brought the country close to collapse (Bessen & Connell, 2022). The Ecuadorian government responded to this event by abandoning the sucre and adopting the dollar as

⁵² "Los negros" is a derogatory term used about poor and often unemployed Argentinians who are often darker skinned than the residents of Buenos Aires city. See Perelman's analysis for a discussion of this (2021)

the country's official currency. In a presentation of his book "*Así dolarizamos al Ecuador*" (LSE, 2020) former president Jamil Mahuad describes the reasoning behind his administration's decision to dollarize the Ecuadorian economy. One of the goals was to "*handcuff the politicians*" (LSE, 2020), who tend to make decisions in order to gain short-term popularity. Revisiting the argument made by Holmes (2009), independent central banks are aware that even if increases in interest rates cause unemployment, the political cost for is not absorbed by the central bank itself. In the cases where institutions are often weak and subject to constant political struggle, like in Argentina, fiscal discipline is harder to achieve (Espinosa, 2015). This partly explains why dollarization is proposed as an alternative economic system by those who are the most critical of Argentina's institutions. Cachanosky & Ravier (2015)⁵³ argue that:

We also believe that the argument that Argentina should not surrender its central bank and monetary-policy "sovereignty" because a "better policy can be put in place" is, in light of Argentina's historical performance and policy makers behaviour, an exercise in wishful thinking (Cachanosky & Ravier, p.399)

The arguments made by Cachanosky & Ravier (2015) can be understood may be seen as an expression of the sentiment which characterize the discourses of "*La grieta*" (Jorge, 2018) and "*corruption*" that characterize the Argentina's "*societal captivity*" (Knight, 2021). In these terms, the "*moral degradation*" of policymakers (Visacosky, 2018; Jorge, 2018) renders a better future an unthinkable prospect. Nonetheless, the idea of "*handcuffing*" politicians as described Mahuad (LSE, 2020) does however challenge notions of independence and anti-imperialism. By adopting the dollar, the Ecuadorian government effectively gave up its ability to influence its own monetary and fiscal policy. This reduced its ability to combat unemployment with public investment (Bessen & Connell, 2022), and such measures have traditionally been important to the post-neoliberal project of left-wing governments in Latin-America (Bessen & Connell, 2022)⁵⁴. Political economists Cachanosky, Salter and Savanti (2022), argue that dollarization may work as a constrain on "*populist*" leaders. Chris Hann (2019) describes "*populism*" as an obscure term because it lumps together political movements which differ in character and argues that the "*only common denominator*" (Hann, 2019, p.1) is that such leaders invoke their moral authority from "*the people*" (Hann, 2019, p.1).

Governments in Argentina, Cuba and Venezuela have occasionally inscribed the dollar with "moral imperatives" (Tankha. M, 2019, p.183) as a way of constituting "the people" . In 2013, President Nicolás Maduro called for the imprisonment of "*those behind the economic sabotage*", referring to those who buy dollars in the illegal market, and continued: "*The bourgeois who do not love the fatherland have created a perverse fixation mechanism called the parallel dollar*" ("Venezuela:Maduro, 2013, my translation). In 2022, Silvia Batakis, then minister of economy noted on Argentines travelling abroad that: "*when you make purchases abroad and they [the dollars] should have gone to the productive sector, you are damaging the future of Argentines*" (Jueguen, 2022, my translation). Similar moral imperatives are found in Mrinalini Tankha's (2019) study of the dual currency system that existed in Cuba between 1993 and 2021. The Cuban example does however differ from the other two cases because the dual currency system was determined by law and did not emerge spontaneously. Tankha (2019) describes the CUC (Cuban convertible peso) which

⁵³ Cachanosky and Ravier are themselves Argentinians, and here I comment on the sentiments of their article. I have not evaluated the monetary and fiscal implications of their proposed system of dollarization. Whether or not to dollarize is fundamentally a political question and not for me to opinate on.

⁵⁴ See also Barlow & Peña (2022), Wylde (2011), Cachanosky (2021)

was pegged to the dollar as a more “capitalist” money than the “capitalist” CUP (Cuban peso). While the CUP was used for non-luxuries and subsistence goods, the CUC was the currency associated with luxuries and wealth (p.188). Thus, the inscription of the dollar with symbolic values is not only a practice done by the individuals who use it. Although there may have been fiscal reasons for these communicative actions, their purpose can be understood as intended to influence economic activity in similar ways to what is described by Holmes (2009).

Despite the vagueness and heterogeneity of what leaders and ideologies that can be defined as “populist” (Hann, 2019), it is used by my interlocutors as an explanation for why inflation is a problem in Argentina. Cachanosky et. al (2022) describe that dollarization became a problem for ex-president Rafael Correa in Ecuador who unlike his contemporaries in Venezuela and Argentina, had limited control over monetary policy. Part of the appeal of the post-neoliberal governments in Latin-America have been precisely to recognize the needs of the poor and meeting them with public spending (Hanson & Lapegna, 2018).

A populist leader in a dollarized country cannot monetize his spending and therefore faces a much tighter budget constraint. Thus a populist leader faces different incentives in terms of policy formation and execution. (Cachanosky et. al, 2022, p.431)

Alternatives to the monetization of spending, like increasing taxes are often unpopular (Cachanosky et. al, 2022). This is arguably a far more concrete policy than the seemingly abstract measure of increasing public debt. Following what I have described regarding the tax evasion, such measures would also increase the burden on those who pay what they are supposed to. Cachanosky et. al (2022) argue that “seigniorage”, the difference between the production cost of money, and its exchange-value, redistributes purchasing power from the “holders of monetary balances, to the creators of money balances” (Cachanosky et. al, 2022, p. 432). It is the temptation to use this mechanism for the funding of public goods, that according to Cachanosky et. al (2022) incentivises governments to create new money by increasing its public debts. The situation that emerges when governments are understood as having “direct access to the printing press” is one where the public becomes aware of the possibility of “surprise money growth” (Cachanosky et. al, 2022, p.432). This can be understood in the light of what the previous chapter described regarding the changes in the charter of the BCRA. When protecting the value of the peso was removed as an explicit goal, this was interpreted as a signal that “surprise money growth” was going to happen. The mutual awareness of governments and the public that monetary expansion is an easy option, it becomes hard to control expectations of future inflation. According to Cachanosky et. al (2022, p.432) dollarization is a way to import credibility from foreign institutions and circumvent conflicts in citizen-government relationships. Dollarization as state level policy can thus be understood as a re-embedding of economic activity in institutions that are not part of domestic political history (Polanyi, 2018;Granovetter, 1985).

Concluding remarks

My interlocutor Ezequiel on one occasion described the dollar as a “thermometer”. In some ways this analogy captures the essence of money as a standard of value (Maurer, 2006). The price of the dollar conveys information about whether things are “normal” or not. In line with Bryant & Knight (2019), people can expect different futures when they attach their expectations to the dollar. That Ricardo’ father asked him to report the price of the dollar when it was announced on TV exemplifies this. Today TV-channels like La Nación+

display the price of the dollar on the screen continuously during their news broadcast. Online newspapers show the different exchange rates on the top of their page, making people aware of the slightest changes. There is certainly some degree of truth to President Alberto Fernández suggestion that people react to what they read in the newspaper. People adopt the dollar as a store of value (Maurer, 2006) because it represents continuity in the context of "*chronic crisis*" (Knight, 2021, p.121). Precisely because the dollar belongs to institutions and relationships *outside* the "*societal captivity*" (Knight, 2021, p.121) it becomes a symbol of "freedom". In this outside world, value can be stored and transferred through time. This may partly describe why Ricardo takes great pride in the fact that the customers of his business can be located anywhere in the world. While Argentina has never formally adopted a regime of dual currencies, the dollar and the peso do belong to different spheres (Bohannon, 1959; see also Mrinalini Tankha, 2019). These are however not only defined by what can be *exchanged* within them, but what can be *expected to be exchanged*. This chapter argues that the peso is understood to belong to the past and the present, while the dollar gives access to the future. To borrow Hart's (1986) terminology, it is a "token" (p.653) of a different society.

Chapter 5

Money as “a standard of deferred payments”

During my fieldwork, spending money was an essential part of my methods. Surely, it was necessary for me to fulfill my own basic needs, and indeed it let me keep track of inflation. Most importantly however, it allowed me to enter and maintain relationships of both short- and long-term character. Through sharing meals and I activities, my interlocutors and I were co-creating relationships of a reciprocal character crucial to my both my data collection and general well-being. One in evening in July 2022, I invited my interlocutors Aurora, Gabriel and Freddy to go bowling. I became friends with the three of them after I met Gabriel and Aurora at an event related to cryptocurrency a few months earlier. They are Venezuelan immigrants to Argentina, who left their home country during the hyperinflation. Aurora and Freddy are siblings, and Gabriel is the wife of Aurora. The evening I invited them to go out, I offered to pay for the activity, because I knew their expenses had been high for the last month, but they were surprisingly hesitant. Only when I made it explicit that I meant it “*from my heart*” (*Lo digo de mi corazon*) they accepted my offer. We talked about the topic later and I asked them why they had been hesitating. They explained that they “*did not want to be that kind of people*” (*No queremos ser este tipo de gente*). When elaborating on what “*that kind of people*” meant, they explained that they did not want to be perceived as someone who took advantage of others. They had, however, already invited me to their home for dinner several times, and never was it expected that I contributed to paying for the ingredients. Thus, according to my ideas of friendship, the least I could do was to invite them back. This chapter contrasts some of the political and institutional focus of the previous chapters and explore the practical problems people face when dealing with a volatile currency. Although the peso is by my interlocutors rejected as a store of value and unit of account, it does function as a means of payment for some transactions. However, this is only the case in relationships where payments are immediately settled between the transacting parties. In market relationships where payments are made regularly however, the gradual devaluation is a more obvious issue. To illustrate the point, this chapter presents two cases. First, my interlocutor Ana is introduced, and then I describe my own experience in the market for property rentals.

Changing jobs to keep up with inflation

In a loud café in the heart of Recoleta⁵⁵ I sat down with Ana to learn about her views of the situation in Argentina. She agreed to meet with me after a friend of hers suggested that we met for a coffee. Ana is in her 40s and works in the media, after she previously worked at a university. She told me in a slightly concerned yet humorous tone that I had arrived in Argentina “*at the perfect moment*” because another hyperinflationary cycle could be around the corner. In a heartfelt and engaged manner she explained how she has seen the gradual decline of prosperity over the years, and that she is sad to see her country struggling to give opportunities to all its citizens. Ana contrasted the situation with that of Uruguay, which in her words have “*gone from being a backwards hole in the ground 20 years ago, to being very modern today*”. She is the owner of an apartment that she inherited, which she expressed her gratitude towards her grandmother for. Ana’s friends are struggling with the prices of rent and while she herself does not by any means consider herself rich, she acknowledges that she is in a somewhat privileged position. Poverty had

⁵⁵ A neighbourhood in Buenos Aires

increased in Argentina over the last year and at the time of our conversation, and about 50% of Argentines lived below the poverty line. She cited the decay of the political establishment as the pressing issue in Argentina, and blame them for the economic mess the country is in. Illustrating the problems that inflation causes her, Ana told me about her experiences in the job market. In 2019 when former President Mauricio Macri left office, the peso rapidly depreciated against the dollar. At the time Ana had been earning the equivalent of approximately 1500 dollars a month in Pesos. After the devaluation, the dollar-value of her salary had decreased to 800 dollars. Since it is the dollar, and not the peso that she uses as her unit of account, this decline felt like a huge loss. In combination with losing nearly half her income in dollars, prices kept on increasing and her purchasing power diminished. Since salaries are only negotiated once a year, it would require an unusually willing boss to have her salary adjusted in the event of a rapid decrease in the value of the peso. To avoid that this would happen again, Ana decided that she would start changing jobs frequently.

Can you imagine having to discuss the money every 3 months? It has been happening for 3 years, so I am looking for an option to not be linked to the peso. I work like 9 hours a day, and the boss asks for more. I am considered by my colleagues to be a rebel in general, because I don't work off-hours and I complain about money and the workload. There are not many jobs, so the company takes advantage of it. I want to do my job but get appropriate payment.

In July 2022, however, she experienced the same thing as in 2018. She had just started in a new job when the value of the peso fell approximately 40% against the dollar over the course of three weeks. The prospective value of her work had again decreased due to factors outside her control. Although the job that she was expected to do was the same, the compensation had been dramatically reduced. In an analysis of how inflation affects relationships in markets for wage-labour, time is of importance. Participating in wage-labour involves the allocation of future time to an employer and acceptance that payment happens with certain intervals. Inflation challenges this use of money because it involves changing the value of a transaction after it has already been agreed upon. It is an example that the devaluation of money cannot only be understood as the devaluation of the currency itself. It simultaneously means that the value of effort that has already been made is reduced. Ana described that inflation causes friction both in professional and personal relationships. There is a social cost when agreements need constant re-negotiation to reduce economic loss. The apartment she owns comes with a parking lot that she rents out to one of her neighbours. Because she knows that her neighbour is also struggling with the increasing living expenses, she decided that she would rather lose some money than to have "*the talk*" where she explains that she needs to increase the rent. Ana describes that inflation creates "*a social climate, a culture, where people sharpen their elbows and in general try to grasp on to whatever extra money they can*". She asked me if people had tried to "*scam*" me since I arrived, and I was indeed in the middle of a situation where my landlord tried to do that. There was no sign of surprise on her face when I told her about my experience.

My experience with the rental market

When I arrived in Buenos Aires in March 2022, I spent the first two nights in a hotel while I started looking for an apartment. I had some problems with finding a place because many of the companies that offer rental apartments demand that you provide them with evidence of income. For two weeks I stayed in a couple of different places that were rented out via the Airbnb platform. In the second week of April however I had found an apartment via the marketplace MercadoLibre, and reached an agreement with the owner that I could

move in quickly. The agreement was that I would pay him six months' rent before to moving in. I only needed the apartment for five months, but since I was impatient to settle down, I decided that it would be beneficial to settle for this deal. Prior to signing the contract, Ricardo offered to read it and make sure that I did not sign anything which could have negative consequences at a later stage. Upon reading the contract, he pointed out some fundamental errors with how it was written. The address was not explicitly stated, and the rental period was vaguely defined. After I returned the contract to the owner with my concerns, he quickly came back with an updated version which Ricardo approved of. The owner presented me with the option to pay the rent in either pesos or dollars, and I chose to do so in pesos. On the day I was to take over the apartment I went to the "cueva" and exchanged approximately 2000 USDT for pesos and took a taxi directly to the apartment. I felt quite uncomfortable carrying around 420.000 pesos in my backpack because I had never carried that much cash before. When we signed the deal, everything seemed fine, and I was happy to have some predictability regarding where I would stay for the remainder of my time in Buenos Aires. The first months of my rental went problem free, and I was comfortable in the area. The apartment was located between the "barrios" of Palermo Soho and Villa Crespo which was ideal given that most of my interlocutors lived in proximity and access to the city centre was easy via public transportation.

The contract stated that some expenses for services like water, electricity and internet were to be paid according to my monthly use. When the owner of the apartment sent me his first claim, I paid him without giving much initial thought to the fact that the amount was substantially higher than what he previously explained to be normal. The following month however, I began asking for copies of the physical bills which he had received. Until this point he had only sent me "screenshots" of the amounts I was supposed to pay, and I found it weird that he seemingly ignored my texts asking to see the full bills. Ricardo insisted that I kept on requesting them because I had no way to control that I was not actually paying too much. As I had no luck in my effort to achieve transparency from the owner regarding the details of the bills, Ricardo offered to call the energy company on my behalf and get access to the digital portal in which the consumption of electricity can be viewed. When Ricardo successfully managed to get such access, I saw that I had indeed been paying too much for electricity and I had evidence which I could present to the owner. Thus, the next time he asked me to pay for the expenses I told him that he needed to discount what I had overpaid. He agreed to do so, but when he sent me his new calculation, I noticed that it was still not correct.

In this situation I had to decide on whether I would continue to contest his claims or just accept paying too much. I thought quite a bit about what to do but decided to take the fight. Ricardo was supportive of this decision and told me that it would be unwise to pretend that nothing was wrong, because this would signal that the owner could push my limits for the next few months. Therefore, I told the owner that I would not pay anything at all unless he sent me all the details of the bills. He refused and his tone became increasingly aggressive, and I became somewhat worried that I had made the wrong decision. Suddenly, the owner told me that the contract had to be terminated because "*this does not work*" (*Esto no va*). According to Ricardo, Argentine law was clearly on my side of the matter, and he insisted that there was no way I was going to agree to the termination of the contract. That the law was on my side was not really soothing, however, as I had spent the last few months learning from Ricardo' how "*there is no justice in Argentina*" (*en Argentina no hay justicia*). It was not really an option for me to go through another stressful period of finding a place to live, and since I had already paid the full amount for six months of rent, my worries were channelled into anger when I became convinced that the owner

was just looking for a reason to kick me out. Initially I thought that the situation was a misunderstanding and that we would reach an agreement when I demonstrated that I calculated correctly. However, Ricardo was convinced that the owner was a "estafador" or "scammer", and that he actively pursued conflict to kick me out. The logic Ricardo explained to me was rather easy to follow. From the time I paid the owner until he wanted to cancel the contract, the peso had devalued almost 40% against the dollar. Therefore, it would be beneficial for the owner to replace me with a different tenant whom he could charge more since the prices of rental units had increased.

Ricardo and I were chatting every day about the situation, and he gave me advice on how to handle it. One advice he gave me was to contact a lawyer, and I asked the Norwegian embassy for recommendations. A lawyer with one of the firms they recommended was willing to help me without charging me, and I forwarded him all the messages that had been sent between me and the owner. The lawyer suggested that I should "hold my position" and refuse to move from the apartment, because the owner had no legal justification for terminating the contract. As it became increasingly clear to the owner that I intended to fight, he claimed that he needed to use the apartment himself because he was sick and needed to stay closer to the hospital. When I told the lawyer this, he said that I had no evidence this was true, and that I should continue to refuse, while looking for a different apartment:

What he is doing is not legal, but you should consider if you are willing to dispute his attitude to the end. He is rude, abusive and awful. It is better to take your money plus interest and find new horizons. Apologies for my compatriot (email-conversation)

I then suggested to the owner that I could leave the apartment if I got back the money for the remaining duration of the contract, and the amount was adjusted for inflation, but the owner rejected my offer. I then felt certain that Ricardo was right in his assumption that the alleged "medical reasons" for why he needed the apartment back was an excuse. The next thing the owner attempted was threatening to cut off the electricity and internet. Since Ricardo and I concluded that the owner's goal was to get me out of the apartment, we could not ignore the possibility that he would enter the apartment while I was away. He might do so to stage something which gave justifiable reason to kick me out. Ricardo therefore suggested that I should change the lock on the door and install an alarm in the apartment. I did not change the lock, but an alarm service was installed, and this gave me some peace of mind. At this point, this a line of reasoning came easy to me although it was way beyond any level of conflict and mistrust I had experienced with any landlord before. After nearly a month of discussion, the owner wanted to come and visit the apartment. I agreed to this since his right to do so was clearly stated in the contract. I spent some time considering if I was comfortable being alone with the owner in the apartment and concluded I would rather not. I initially asked the lawyer if I could pay him to be there, but he rejected and told me it was unnecessary. I was therefore "saved" by Ricardo who offered to be there for the visit.

On the morning of the visit, Ricardo showed up half an hour before the owner was to come by. I must have looked incredibly worried as we sat down at the café across the street from the apartment building, because Ricardo repeatedly told me to remain calm. He told me to do so because he had come up with a plan for the landlords visit: *"You will not speak a word of Spanish. I am your translator. Speak to me in Norwegian and I will say what we need to say"* (*Tu no hablas español. Yo soy tu traductor. Me hablas en noruego y yo le digo lo que necesitamos decir*)

Although a funny idea, the plan concerned me because Ricardo does not speak a single word of Norwegian. Thus, I started wondering how he could possibly “translate” what the owner said. I nonetheless agreed to go forward with the plan and prepared myself to play stupid in front of the landlord. We went back to the apartment, and I was nervously waiting for the owner to show up. Ricardo took a seat by the kitchen table and would be ready to introduce himself when the owner came. When he did, the owner seemed somewhat surprised that I was not alone in the apartment. He looked at the cameras that were installed for the alarm and spent the first five minutes of the visit inspecting them. I believe he was not happy to see the cameras, but I had at least made sure that the apartment was clean and tidy. Ricardo introduced himself to the owner as my translator and said that he was associated with the Norwegian embassy⁵⁶. He explained to the owner: “*the Norwegian state look out for its citizens when they are travelling*” (*Es que el estado noruego cuida a su gente cuando viajan*) and argued: “*he is not used to Argentina*” (*el no esta acostumbrado a la Argentina*). At this point my Spanish was good enough that I had no problem understanding their conversation, and it was hard not to partake in it. The owner explained that his costs had increased 37% over the last month, and that he had an identical apartment in the same building that he now rented out for 100.000 pesos a month. Meanwhile, when I paid him in April, I paid 60.000 per month. Ricardo expressed his understanding for the situation but asked the owner if he had not bought dollars with the pesos I paid. “*Seguro que compraste dolares no?*” (*you bought dollars right?*). In April I had paid the owner 420.000 pesos, which at the time equalled 2100 dollars. If he had bought dollars the same week, the 2100 dollars would in July have been worth 600.000 pesos. Ricardo was sympathetic towards the situation of the owner, which I believe reduced the tension in the room. The two of them sat down at my kitchen table and Ricardo asked me to bring a pen and some paper. By mixing in some English with the random sounds of his “Norwegian”, I was able to understand what he wanted, and he wrote down all the payments I had made. Ricardo then compared the amount to those indicated on the bills and asked the owner if he did agree that I had paid too much. At first, the owner seemed reluctant, but after a second explanation he recognised Ricardo’s calculations.

The visit ended with the owner accepting that it was he who owed me money, and he agreed to discount it from the next bills. The owner left the apartment, and apart from the monthly payment of services, I never heard from him until I returned the keys at the end of my stay. I felt a huge relief when the situation was solved and expressed my gratitude to Ricardo’ for his help. I also complemented him on his excellent Norwegian and he responded that “*today we won 3-0*” (*hoy ganamos 3-0*) and that it was “*real team play*” (*un verdadero juego de equipo*). He then went on to quote Ludwig Von Mises from his before saying that “*inflation destroys the morals of the people*” (*la inflación destruye el moral de la gente*). A few days later when Ricardo came to visit, he gifted me his copy of the book *Planning for freedom* by Von Mises with his dedication to me on the first page.

In the days and weeks following the situation, I reflected on how easily I had bought in to the idea that the owner wanted to kick me out in a speculative effort to obtain more money. I had over the previous month spent hours texting with Ricardo, trying to understand the owner’s intentions and preparing replies and arguments. I had heard from other people that rental market is difficult and conflict not unusual but experiencing it for myself revealed motivations and logics which previously were invisible to me. By letting Ricardo be part of the dialogue I saw how he interpreted the owner’s messages, and to

⁵⁶ This was not initially a part of the plan, but a spontaneous decision by Ricardo to support his authority. He is nor was he associated with the embassy.

some extent I adopted his approach to the situation. The fact that I was uncomfortable and unsure about how to act led me to let Ricardo take control of the situation. Instead of only being explained through words how people seek to take advantage of others, I experienced how one reacts when it happens. Part of the reason why I was convinced by Ricardo that it was worth fighting was that the owner had little chance of forcing me out of the apartment besides scaring me to the point where I gave up. I realise that I was in a unique position with support from a good friend and free legal advice from a lawyer. Some of my interlocutors who had similar problems in the rental market have in general not been that privileged.

Concluding remarks

This chapter illustrates the significance of monetary stability to the organization of market transactions where transactions are not immediately settled. Inflation and expectations of inflation undermines the peso as a standard of deferred payments and as a unit of account (Hayek, 1990, p.67). I argue that this is because a rapid decrease in the value of money inevitably leads to an instability in the configuration of the social relationships it mediates. The relationship between me and my landlord sums up the point. To understand the landlord's decision to try to kick me out, the fact that he rented out a similar apartment for twice what I had paid must be taken into consideration. All the relationships were part of the same social network (Granovetter, 1973; Callon, 1998). Thus, the instability in the value of money that allowed the owner to increase the price of his other rental-unit directly de-stabilized his relationship with me. Abolafia's (1998) perspective on how markets are constituted allows for an elaboration of this point:

Through repeated interaction market participants develop expectations about appropriate behaviour and scripts for the performance of roles. It is through these rules and roles that participants constitute the market. (p.70)

There is little reason to believe that the owner would have wanted to replace me with another tenant had he not experienced a different valuation of his property in one of his other economic relationships. Revisiting Zelizer's description of money as "*compensation*" implying "*accountability*" between the transacting parties, it is evident why the stability of money is of social importance. When the money, the value component of a transaction, is gradually declining, this leads to the re-opening of a negotiation process that once was closed. Because there was no longer equivalence (Hayek, 1990; Callon, 1998) between my payment and the apartment I occupied, the owner had every reason to be dissatisfied with the agreement we had made. The same argument is applicable to Ana's situation. In her case, the value of effort as it was expressed in monetary terms, became reduced after an agreement was already made. These example highlights the strength of the "*markets-as-cultures*" approach and the applicability of Abolafia's (1998) description of rationality as "*community based, context-dependent cultural form*" (p. 74). The next chapter continues this dissemination of market relationships with emphasis on the concepts co-ordination, choice and rationality.

Chapter 6

Calculation & Choice

Actors do not behave or decide as atoms outside a social context, nor do they adhere slavishly to a script written for them by the particular intersection of social categories that they happen to occupy. Their attempts at purposive action are instead embedded in concrete, ongoing systems of social relations (Mark Granovetter, 1985, p.487)

The previous chapter described how I grew increasingly suspicious of my landlord's intentions and honesty. This was however not the only change in my behavior during my fieldwork. During my first trips to the "cueva" where I exchanged my money, I exchanged 400 dollars on each occasion. However, when the volatility in the exchange rate between dollars and pesos increased, the amount I felt comfortable exchanging decreased. I ascribe this to myself adopting the logic that sudden devaluation could reduce my purchasing power. Therefore, I began exchanging 150 dollars at a time and in my apartment, I sometimes had two separate stacks of pesos, organized after when I had bought them. When I told Ricardo that I had adjusted the amount I exchanged, he told me "*ya sos Argentino!*" (*You are already Argentine!*). The previous chapters have demonstrated that uncertainty regarding the value of money is an everyday concern of my interlocutors. In the continuation of my conclusion in the previous chapter, the following sections describe in greater detail how decisions are made under uncertainty. The case of Leandro allows for an enquiry into the topic.

Running a business under uncertainty

Leandro is the owner of a small store in one of Buenos Aires' shopping galleries. He is in the beginning of his forties and his business sells cellphones and cellphone-accessories. The accessories he sells are mainly produced in China, and some of the phones are Chinese brands assembled in Argentina⁵⁷. Products of American companies like Apple are however illegally smuggled into the country via Paraguay. Restrictions and tariffs on imports makes it according to Leandro unviable to order them from a legal distributor. He is therefore participating in what he described as "*an informal market created by the people to avoid taxes*" (*un mercado informal creado por la gente para evadir impuestos*). Despite their illegal origin, there is a demand for these products, and it is important for the profitability of Leandro's business to offer them to his clients. To maintain his relationships with them, Leandro is communicating the prices of his products and what he has in stock through social media. He takes orders, runs campaigns and receives feedback on his service. Inflation makes the preservation of his profits difficult, and he therefore re-invest them in goods that can later be sold. This is a common strategy among business owners in Argentina as Prelat (2021) also finds in her study. Leandro described:

I invest in the telephones, in my business. I buy things that will generate profitability. I have money invested". (Invierto en los telefonos, en mi negocio. Compró cosas que van a generar una rentabilidad. Tengo dinero invertido.

⁵⁷ These products are assembled on the group of islands known as "Tierra del fuego".

When he makes a sale in pesos, with a value above 100 dollars, Leandro converts these pesos into physical dollars or USDT:

I work, but not for pesos. I work to buy dollars or spend... thinking in pesos... that does not work. I have to always stay alert and look for ways to avoid being trapped in the price system. (Trabajo pero no para pesos. Trabajo para comprar dolares o gastar...pensar en pesos.. Esto no da. Siempre tengo que estar pendiente y buscar no ser atrapado en el sistema de precios.

Leandro's fear of being trapped in the price system refers to a couple of possible scenarios that may hurt his business. Firstly, when there is volatility in the exchange rate between pesos and the dollar, his suppliers might decide to halt sales. If he then has failed to maintain a stock of products, such sudden volatility may paralyze his ability to offer his customers what they want. Secondly, the volatility in the exchange rate sometimes means that he must change the price he initially offered to a customer. Leandro described:

When the dollar shoots up, it affects the list of prices. You have to charge the customer more than you told them. Some understand it, and some don't. A client leaves today and comes back tomorrow, the dollar shoots up. I loose. I have to maintain the value [in dollar terms] of the deal made yesterday

Cuando el dolar se dispare, afecta la lista de precio. Uno está obligado a cobrar más que dijiste al cliente. Unos entiende y uno no. Un cliente me dejó hoy y pase mañana y se dispara el dólar. Yo pierdo. Tengo que mantener el valor [en dólares] del acuerdo del dia anterior.

When he must change an agreed price, this creates tension with the clients. I witnessed myself how an employee at a supermarket was verbally abused because the prices indicated on the shelves did not correspond with what the customer paid at the counter. These kinds of interactions may seem trivial, but they are key examples of how market-transactions are not "*frictionless*" (Abolafia, 1998, p.70). According to Gusnerie (1996, as cited in Callon, 1998) markets are "*a co-ordination device, which depends on the resolving of conflicting desires through price*" (p.3). Because market transactions are social relationships, economic actors' responses to events are reflected in how prices are shaped.

Price creation under uncertainty

In July of 2022, the same week as minister of economy Martin Guzman resigned⁵⁸, the media reported that some businesses increased their prices with 20% over night ("Provedores sin", 2022). Simultaneously Leandro's suppliers decided to pause all sales, justified by the increased uncertainty. Michel Callon (1998) writes that: "*market co-ordination encounters problems when uncertainties on the states of the world, the nature of the actions which can be undertaken and the consequences of these actions increase*" (p.6). This is arguably an accurate description of the problems experienced by both Leandro, his suppliers and his customers. The relationship between them is defined by the exchange of goods and to maintain this relationship through repetitive action (Abolafia, 1998) they depend on the ability to communicate through prices. Olav Velthuis (2004) notes that prices should be understood as "*a communicative system which conveys knowledge to economic actors*" (p.382). The meaning of prices therefore becomes

⁵⁸ Guzman's resignation further accelerated the devaluation of the peso in comparison to the dolar.

analogous with that of a language. Preventive price increases, such as the ones described above does not necessarily reflect economic costs, but they are *expressions of uncertainty in quantitative terms*. Holmes (2009) refers to this phenomenon as the increase in price businesses add to goods and services when they expect inflation. Prices are therefore not knowledge, but rather a *reflection* of the knowledge any economic actor has about the current *"state of the world"* (Callon, 1998, p.6). Velthuis (2004) argues that a thorough understanding of price increases requires *"thick descriptions"* (Geertz, 1973, p.314). Since prices are not objective truths independent of the social relationships which define them, such descriptive accounts can be made through ethnographically exploring the processes of price-creation. When central banks attempt to establish official narratives to guide economic action, they base their public communication on qualitative data they have collected. Employees of the central bank gather information from businesses to get an impression of what they *expect* is going to happen based on the present and subsequently their anticipative action towards the future (Holmes, 2009, p.385). The case of Pablo is one example of the social dynamics described above. He is overseeing a restaurant and shared the list of prices he had received from his supplier for the months of May and September. As shown on the pictures below, the prices increased about 40% over this period. Because Pablo could reasonably expect a rise in costs, he knew that he would need to increase the prices in his restaurant. What constitutes a *"reasonable"* and *"sufficient"* increase is however a question without any clear answers. Uncertainty regarding the future value of money thus leaves a greater room for interpretation according to subjective evaluations. Hayek (1990) argues that a stable currency would be preferred by individuals because *"only in such a currency would realistic calculation be possible"* (p.69). Callon (1998) does however demonstrate that it is not money itself which allows individuals to act in a calculated manner.

Linea COCA Mini Lata 220 ml	\$ 55
Linea COCA Lata 354 ml	\$ 85
Linea COCA x 500 cm3	\$ 78.16
Linea COCA x 1.5 litros	\$ 165
Linea COCA x 2.25 litros	\$ 220
Linea MANAOS x 2.25 litros	\$ 94.16
Linea Pepsi Lata 354 ml	\$ 49.83
Linea PEPSI x 500 cm3	\$ 62.5
Linea PEPSI x 1.5 cm3	\$ 144.83
Cunnington Tonica/po x 500 cm3	\$ 55

Picture 3: List of prices from Pablo’s supplier as of May 2022

Linea COCA Mini Lata 220 ml	\$ 89
Linea COCA Lata 354 ml	\$ 116.50
Linea COCA x 500 cm3	\$ 111.5
Linea COCA x 1.5 litros	\$ 229.87
Linea COCA x 2.25 litros	\$ 306.50
Linea MANAOS x 2.25 litros	\$ 116.50
Linea Pepsi Lata 354 ml	\$ 74.83
Linea PEPSI x 500 cm3	\$ 82.91
Linea PEPSI x 1.5 cm3	\$ 183.16
Cunnington Tonica/po x 500 cm3	\$ 75

Picture 4: List of prices from Pablo’s supplier as of September 2022

Calculative agencies

Callon (1998) makes a distinction between "*calculative agents*" (p.7) and what he calls "*calculative agencies*". "Calculative agents" argues Callon (1998), indicate that the ability to calculate is a feature of individuals. According to Callon (1998), it is a mistake to ascribe the ability to calculate to either human cognition or society. The former indicates that the ability to calculate is a feature of human nature, and such assumptions lead to "undersocialized" individuals who act in isolation from their social relationships. That the ability to calculate is derived from "*the socio-cultural and institutional frame which people are embedded within*" leads to "*oversocialized actors*" and thus fails to account for any change in behavior (Callon, 1998, p.7; see also Granovetter, 1985). Neither of these explanations are satisfactory to understand Leandro's ability to make decisions under uncertainty. Callon (1998) offers a third approach that builds on Granovetter (1973;1985). For agents to have calculative agency they must according to Callon (1998) be able to:

- 1) establish a list of the possible states of the world (each state of the world being defined by a certain list of goods and actors, and by a certain distribution of these goods amongst the actors), 2) rank these states of the world (which gives a content and an object to the agents preferences and 3) identify and describe the actions which allow for the production of each of the possible states of the world. (Callon, 1998, p.4)

These actions are according to Callon (1998) only made possible by the social relationships between actors. In the case of Pablo and Leandro, their "calculative agency" (Callon, 1998) is defined by the relationships they maintain with providers and their clients. Their calculations are dependent on the actions of others, and subsequently the subjective interpretation of information conveyed in prices (Velthuis, 2004). It is not a feature of Leandro's nature that allows him to calculate how many products he must have in his stock to keep offering his customers what they need. He might instead consider the number of sales he has made over the last months, giving some impression as to future demand. Or he might consult with a colleague who operates in the same market and ask if they can work together. It is within such relationships that actors find the information necessary to calculate what actions they should take themselves. The future state of Leandro's world depends on if his providers are selling products or not. He must consider alternatives according to the information retrieved from these relationships, while simultaneously evaluating how they influence his relationship to his customers. From this emerges what Callon (1998) calls "*an elementary algebra of social relationships*" (Callon, 1998, p.10). The dyadic relationship between Leandro and his customers or providers alone are not sufficient for calculation to take place, nor is it necessary to look beyond such a triad of relations to make calculative decisions (Callon, 1998).

Choice & rationality

If Leandro and Pablo do calculate, as I have suggested, then this implies choice. How much can Pablo raise his prices without losing customers? He knows that if he raises them too much, some of his customers might decide to not eat at his restaurant, but he also knows that if he does not raise the prices at all, his business will cease to be profitable. Choice is

inevitable in this situation, even doing nothing would be to choose. If it was not necessary to choose between alternatives, then there would be no point to calculate. There is no need to evaluate possible consequences of actions if one does not believe in one's ability to influence the outcomes these actions may have. Boholm, Krzyworzeka and Henning (2013) describe that ideas of "free will" and "choice" are deeply rooted within the western intellectual tradition. Furthermore, they argue that neoliberal ideology has made these concepts the core principles of how people are expected to live their life. Within this ideology, "*decisions are everywhere, serving as an overarching 'mentality' to make sense of the world and human affairs with it*" (Boholm et al, 2013, p. 99). Research on choice carried out by psychologists and economists is traditionally done through a deductive approach, involving controlled laboratory experiments (Boholm et al., 2013; Chibnik, 2011). The obvious problem with such experiments is that they are precisely that; experiments. Such methods remove choice from the context of everyday life, and as noted by Firth (1951): *the less any individual acts in isolation, the more he must be responsive to choices, or the expectations of choices by others*" (p.124). For this reason, the knowledge provided by experiments does not describe how people respond to shifting surroundings that make up their lifeworld, but with snapshots of human reasonings in the present. They remove the fundamental economic problems from the situations where these problems must be solved.

The purpose of such experiments and analysis has been to identify optimal solutions to problems in terms of "*expected utility*" (Boholm et al, 2013, p.99). I argue that a hypothetical approach to decision-making cannot explain what the best course of action for Leandro is when he is faced with uncertainty. The complexity of his social relationships cannot be accounted for through a static framing of clearly defined alternatives. Furthermore, in assuming that people do maximize, some implausible conditions must be in place. Firstly, the "*maximization of expected utility*" builds on the assumption that such maximization is a concern of the chooser (Thaler, 2016, p.1580). Secondly, it requires that the chooser has clear knowledge of what the optimal outcome of their actions would be, and thirdly it assumes that individual preferences are stable. Since calculation and choice is a product of social relationships, it must be expected that dynamics of these relationships, and thus the preferred outcome of their different possible states may change over time.

Economist Herbert Simon (1955) suggests that rather than maximizing utility, people seek satisfactory solutions. In both Pablo and Leandro's cases, their actions can possibly be understood as such. It might be better for Leandro to store value in more liquid assets than in cell-phone accessories, because he would rather have greater flexibility, but it is not necessary for him to be satisfied with his situation. Pablo might have raised prices slightly higher than he did and still not lose customers, but if his business runs well, he is happy. There is no clear answer to be found to what provides the most "*expected utility*" in these scenarios (Boholm et. al, 2013; Thaler, 2016). Although Simon's (1955) argument is compelling, it did not gain significant recognition at the time as economists continued to argue for universal rationality. While Simon (1955) argued that economics should be concerned with describing behavior, scholars like Milton Friedman held the view that the goal of economic theory was to yield accurate predictions of economic phenomena (Thaler, 2016, p.1580; see also Chibnik, 2011). In a defense for this position, Friedman argued that it does not matter if people maximize or not, if they behave *as if* they were. An expert player of billiards, Friedman argued, does not calculate mathematically how to hit every shot, yet he plays *as if* he did (Thaler, 2016). The obvious problem with this line of

reasoning is pointed out by Thaler (2016), who argues that economic theory is not only concerned with describing experts (p.1580). Not everybody plays billiards as if they were experts at calculating angles. As Thaler (2016) points out and has been shown in previous chapters here: "*economic problems are often difficult to solve*" (p.1580).

"Choice architecture" & "Large worlds"

Ricardo explained an economic phenomenon to me which he referred to as "*Un veranito*" or "*A little summer*". A "*veranito*" is a period in which the interest rate on 30-day peso deposits is higher than inflation⁵⁹. In theory, people should then sell their dollars and deposit pesos for 30 days to earn a return in dollar-terms. Again, implausible conditions must be met for optimization to take place. Primarily, individuals must have knowledge of how these financial instruments work. Secondly, they must be willing to assume the risk of being wrong. Utility maximizing actors would have no problem with either of these prerequisites (Thaler, 2016). The information and tools to realize this financial operation is in theory available to everyone and they do not need to be concerned with being wrong, because they could calculate the probability of being right and act accordingly. This is however not the way people make their decisions in daily life. John Kay and Mervyn King (2020) describe the hypothetical and engineered context of choice-experiments as "*small worlds*" (p.138). In these "*small worlds*" all possible choices their outcomes are known to the chooser. The problem of "dispersed knowledge"⁶⁰ is not relevant in "small worlds", because each individual actor has all the relevant facts to embark upon the process of decision-making (Hayek, 1945, p.519). According to King & Kay (2020) problems of "*small worlds*" are comparable to those of a puzzle whose pieces are known to exist, and just awaits correct assembly. Such "*small worlds*" are contrasted by "*large worlds*" (p.138) where neither of these conditions are present. "*Large worlds*" are defined by the ill-defined nature of the problems they contain, having more in common with "mysteries" whose pieces and solutions are unknown (Kay & King, 2020, p.21).

A possible contribution of anthropology to the field of decision-making studies is, and has been, precisely the ethnographic exploration of such "*large worlds*" and "mysteries". Anthropologist Sutti Ortiz, (1973;2012) who did fieldwork among Colombian farmers suggested that anthropologists should study the context where choices are made, and similarly Boholm et. al (2013) argue for examining how choices are formed relationally (p.107). "Choice architecture" is a term employed by Richard Thaler (2018, p.341), which resembles that of "context". While originally used to describe how consumers can be led to make "*better*" decisions according to how alternatives are framed, I suggest that it can be applied to the "*large worlds*" ethnography. Examples of "choice architecture" have already been presented throughout this thesis. Argentina's political history, capital controls and people's experience of monetary instability are interpreted and combined when people are constructing their "choice architecture". I find Thaler's (2018) term to be precise, but also broad enough to encompass the complexity of decision making in social networks (Callon, 1998;Granovetter,1973). As a figure of speech, it signals that there are both "ceilings" that constrain and "open spaces" to permit choice. If the characteristics of deductive research on choice is that its architecture is engineered, controlled and

⁵⁹ Pesos can be deposited for a fixed interest rate. If this interest rate is higher than inflation, it is possible to "earn money" in dollar-terms.

⁶⁰ The dispersed knowledge problem refers to the fact that no individual actor have complete knowledge of all factors relevant to their decisions. See Hayek (1945).

predictable, what is then characteristic of the "*large worlds*"? Kay & King (2020) uses the term "*unknown unknowns*" (p.38) about future events that are not only unknown to the chooser, but also unknowable. When will there be another bank run in Argentina? Or how many dollars will 5000 pesos be worth in a year? These are both questions that illustrate the problems of "*large worlds*". There are simply too many factors involved for any meaningful answer to be given. Such problems are mysteries, and not puzzles. How can the topic of choice then be investigated empirically if not as the selection between alternatives?

To choose is to imagine

One economist who has received little praise for his work is George Lennox Shackle. The core of Shackle's (1979) argument is that choice is an imaginative process. In his approach, this process is broken down to entities that I argue can be studied ethnographically. There are three themes which concerns the chooser in the present according to Shackle⁶¹ (1979):

The News: impressions interpreted as reports from a field

The Scheme: an account of the geometry (formal coherence) of the field, in terms of the arrangement-possibilities of abstract, typical, constant elements. An element here means any buildingblock which can serve for the delineation of history recorded or imagined

The imagined deemed possible: element-arrangements not presented to thought by the field, but originated in a strict extreme sense, that is created partly ex nihilo by the thinking being (Shackle, p.2).

I suggest that calculation as described by Callon (1998, p. 4) and choice as described by Shackle (1979) are part of the same continuum of thoughts. Firstly, the "*interpretation of impressions from the field*" (p.2) is the orientation which the chooser must make relative to his surroundings in the present. Secondly, these impressions must then be framed by the chooser according to his "*scheme*". These are the ideas the individuals have about the order of society's "*elements*". One example of such "*elements*" could be the political divisions described in Chapter 3, or the current exchange rate of the dollar. Finally, the impressions from field, contextualized by the past allows the individual to "*imagine future sequels of events*" (Shackle, 1979), or "*evaluate possible future states of the world*" (Callon, 1998, p. 6). In imagining the future, the chooser, produces multiple scenarios ranging from impossibilities to perfect possibilities (Shackle, 1979, p.10).

In my opinion, the process described above can be studied ethnographically. Firstly, interpreting impressions from the field is what ethnographers do when they conduct fieldwork. Myself, I began my fieldwork in Argentina by identifying through which relationships money flows. I tried to put myself in a position where such relationships were visible as to understand the order of the "*elements*" (Shackle, 1979). An example of "*the scheme*" could be Argentina's history as it is imagined through current political divisions. The imagined future is possibly the most complicated to study for an ethnographer because the future itself cannot be described; it exists only as "*time-to-come*" (Shackle,1979, p.10). However, during fieldwork, interlocutors tend not only to share their opinions about the future, but make visible their *commitments* (Shackle, 1979; see also Mintz, 1979, p.25). Shackle (1979) argues that: "*choice is commitment that renders a desired sequel*

⁶¹ See also Gell (1992) who refers to some of Shackle's other publications.

possible" (p.45). Revisiting some of the material presented in the previous chapters, makes evident that my interlocutors Ana, Ricardo, Pedro, and Leandro are all committed to a scenario where the peso keeps losing its purchasing power. The "earmarking" of money as it is described by Zelizer (1989; 1998, 2011) are choices. My landlord's desire to kick me out of the apartment was a choice. Shackle's (1979) perspective allows for an examination of another empirical example illustrating the point.

"La teoría del todo"

Ricardo and I were sitting in a park in Buenos Aires when he asked for my notebook, so he could explain why Argentina fails to tackle inflation. He introduced me to what he called "*La teoría del todo*" or "*The theory of everything*" which is an explanatory "*model*" he argued lets him anticipate Argentina's future and protect himself. The "*model*" consists of a rough calculation of how much money the Argentine state spends, and how much it collects in tax revenues. Next, Ricardo explained that he views the political system as completely corrupt and listed all former presidents and commented on each of them, highlighting their shortcomings. Referring to events already described like the hyperinflations of 1975 and 1989, he identified in history the same patterns he sees today. These patterns can be understood to be of a similar character to what Shackle (1979) calls the "*scheme*". The reports he collects from the field can for example be the protestors in the streets calling for increased welfare benefits or price controls in supermarkets. What then about the future he imagines? Through our many hours spent together, I gained insight into several scenarios which Ricardo deemed perfectly possible (Shackle, 1979). For example, Argentina may enter another default and subsequently experience widespread social unrest. In such a scenario, Ricardo anticipates that the systems for electronic payments will stop functioning. Therefore, he makes sure to always keep some dollars in cash, because this ensures his ability to provide for himself and his family. He does not store his electronic money with Argentinian banks, because a default could lead to a confiscation of funds like he experienced in 2002. Furthermore, a default could mean that there will be shortages of energy, given that Argentina relies heavily on imports (Barlow & Peña, 2022). In such a scenario, the solar panels attached to his balcony will give enough electricity for his business to keep operating. These practices can be understood as Ricardo's "*commitments*" (Shackle, 1979, p.45) towards futures he might be confronted with. Obviously, when or if these events will occur is an "*unknowable unknown*" (Kay & King, 2020). However, his experience, surroundings and imagination tell him that he should be prepared.

Concluding remarks

Instead of assuming that individual make choices based on a stable set of *preferences*, I argue that people are looking for a stable set of *references*. Monetary instability expands the scope of the "*imagined, deemed possible*" (Shackle, 1979). Individuals must entertain a greater variety of potential configuration of their social relationships because money no longer represents a stable point of reference. The cases of Leandro and Pablo illustrate this point very well. Inflation forces them to make choices that may lead to other sequels of events and thus a changing pattern in their re-enactment of economic relationships with clients (Abolafia, 1998; Sharma & Gupta). A stable currency is however not a prerequisite for what Hayek (1990) calls "*realistic calculation*" (p.67), because calculation is inherently a social process of anticipating the actions of others and *not* enabled by money. Calculation

is present in the human experience independently of money. One of the days before Ricardo accompanied me during my landlords visit to my apartment, he told me: "*do not worry, I will not bring the weapon*" (*Tranquilo, no voy a llevar la arma*). I knew that he had a firearm, but I had never seen it, and I did not know why he even brought it up. However, a couple of days after the owner's visit, Ricardo asked me "*did you notice that I did not take of my jacket?*" (*te diste cuenta que no saqué la campera*). When asked the I indeed remembered that he wore his jacket during the whole visit, but I had not given any thought to it at that moment. "*It was because I had the weapon in my pocket*" (*es que llevé la arma*), he explained and continued describing that he did not know "just how crazy" (*que tan loco*) the owner was.

Ricardo's choice to allocate resources corresponding to events he has imagined and deemed possible (Shackle, 1979), are most certainly based on "realistic" calculations. There is no way of determining the probability that electronic payments will cease to function, and there can be no definition of the "*realistic*" beyond the subjective experience. The problem caused by monetary instability of is contrary to Hayek's (1990) suggestion, an increase in "realistic" scenarios that must be considered by decision-makers. "Stability" must then be the opposite, I suggest, inspired by Shackle (1979) and Kay & King (2020) calling it *the perceived limitation of unknown unknowns*. What is meant by "political instability" if not the high occurrence of unanticipated events? Stability in this meaning of the word is therefore a mental construct. Strictly speaking, all the scenarios which I have described in this chapter could possibly have occurred regardless of the instability in the peso. However, for the future to occur it must first be imagined.

Chapter 7

The quest for “sound money”

If my analysis is correct, people and organizations will take advantage of the new forms [of money] not to make all monetary transactions uniform, but to innovate earmarking strategies. (Viviana Zelizer, 1998, p.66)

The adoption of “cryptocurrencies” as money in Latin-America is addressed by the IMF in a working paper published in February 2023. In the report, corruption, capital controls and inflation are cited as the driving reasons for why people adopt “cryptocurrencies” across the continent. Although Bitcoin is the largest cryptocurrency by market capitalization and arguably the most famous one, it is however not the one highlighted in the IMF (2023) report. The report states: *“as citizens have looked for digital solutions to banknotes shortages (Venezuela) and to the impact of protracted and elevated inflation (Argentina, Venezuela), stablecoins have become financial lifelines”* (p.13). The previous chapters have shown how USDT lets Ricardo run a global business and that it allows Pedro and Leandro to save money. This chapter argues that paradoxes emerge in the intersection between the ideological heritage of “cryptocurrencies” and their practical use for monetary functions.

Ideological origins – it begins with Bitcoin

The history of “cryptocurrencies” began in 2008 with the publication of what is known as the Bitcoin Whitepaper. The anonymous individual or group operating under the pseudonym Satoshi Nakamoto (2008), describes that *“a purely peer-to-peer version of electronic cash would allow online payments to be sent directly from one party to another without going through a financial institution”* (Nakamoto, 2008, p.1). In 2009, the Bitcoin blockchain was launched and this is the network which facilitates the transfer and storage of Bitcoins. Fundamentally, a blockchain is a database overseen by a distributed⁶² network of computers (Maurer et. Al, 2013). In the traditional financial system, it is the role of banks to ensure that illegitimate transactions are not recorded in their database. If one tries to buy a car that costs more than my bank-account balance indicates, the transaction will fail. With Bitcoin, the task of ensuring validity of transactions is delegated to the computers overseeing the blockchain. These computers are called “validators”. The significant innovation of Bitcoin in comparison to other non-state-issued digital currencies was Nakamoto’s (2008) solution to the *“double spend problem”*. This refers to the issue of controlling that no single actor cheats the system by unrightfully increasing their own account balance or copy any one unit of currency (Maurer et. al, 2013, p.264). In theory, control of the Bitcoin blockchain can however be seized by a malicious actor, but Nakamoto (2008) argues that it would nonetheless be in the interest of such an actor to behave honestly:

If a greedy attacker is able to assemble more CPU [processing power] than all the honest nodes, he would have to choose between using it to defraud people by stealing back his payments or using it to generate new coins. He ought to find it more profitable to play by

⁶² The problem of establishing consensus in distributed computer networks is described in Lamport, L., Shostak, R., & Pease, M. (1982). This problem is widely known as “The Byzantine Generals Problem”. In this context, “consensus” refers to participants reaching an agreement on the contents of the database.

the rules, such rules that favour him with more new coins than everyone else combined, than to undermine the system and validity of his own wealth (Nakamoto 2008, p.4).

In centralized systems this problem is non-existent because only the owner of the database can change its contents. The Bitcoin blockchain, however, is updated anytime a transaction is made by any user of the network. Transactions that are submitted to the blockchain are bulked into "blocks" and added to the chain of transaction history. Validators then compete to verify the addition of new blocks through solving advanced cryptographic puzzles and the more computing power any validator has, the more likely it is to be chosen to validate the "block" (Maurer et.al, 2013). Honest behavior by validators is crucial to the integrity of the transaction history and validators are therefore rewarded in Bitcoin for maintaining a correct version of the blockchain (Maurer et.al, 2013). More Bitcoins enter circulation according to a pre-programmed emission policy as new blocks are produced, with the maximum supply being fixed at 21 million "coins"⁶³.

Cryptocurrency as a means of payment

When Bitcoins are stored on the blockchain they are owned using what is called a "self-custodial wallet"⁶⁴. Anyone with an internet connection can create one anonymously, and funds are accessed by a 24-word long phrase made up of randomly selected words⁶⁵. Losing this phrase implies that funds are lost forever, because no central authority can change the blockchain. Transactions between such "self-custodial wallets" are referred to as being "on-chain" because they are recorded directly on the blockchain. "Off-chain"-transactions are mediated by a third-party, and this is the most common way "cryptocurrencies" are used as a means of payment among my interlocutors. "Cryptocurrencies" such as USDT and Bitcoin are spent as money through a VISA-card issued by FinTech⁶⁶-companies like Lemon Cash, that maintain the accounts of their customers. In their Lemon Cash accounts, people can hold "cryptocurrencies" but spend in pesos. My interlocutor Ezequiel described:

I use the Lemon [short for Lemon Cash] app. I like send ADA⁶⁷ for example from my wallet to Lemon and whenever I want to like buy something, I press a button and I get pesos and then I pay things with the card. It is very practical because I don't have to do the p2p market ['blue market'] and everything.

Purchases can be made either as described by Ezequiel, or the conversion can be done automatically depending on the user's personal settings in the application. When conversion is set at "automatic", "cryptocurrencies" are sold for pesos when a purchase is realized with the card. The payer and the receiver of the payment thus interact by means of different currencies. In Hayek's (1990) proposed system for competition between privately issued currencies, a similar mechanism was described.

Electronic cash registers would probably be developed rapidly, not only to show instantaneously the equivalent of any price in any currency desired, but also to be connected through the computer with banks so that firms would immediately be credited with the equivalent in the currency in which they kept their accounts (p.67).

⁶³ The last Bitcoin will enter circulation in 2140.

⁶⁴ An important concept here is the distinction between "on-chain" and "off-chain" transactions in "cryptocurrencies". "On-chain" transactions are peer-2-peer transactions made directly on the blockchain between user-owned wallets. "Off-chain" transactions refers to the transfer of "cryptocurrencies" between accounts held with centralized actors.

⁶⁵ This is commonly referred to as a "seed phrase"

⁶⁶ Financial technology

⁶⁷ ADA is the native asset of the Cardano Blockchain

What Hayek (1990) envisioned has already been an established for conversions between government issued currencies for some time. Whenever a VISA-card is used in a country where the currency differs from the one held by the payer, the payer is usually granted the option of paying in their own or the local currency. Applications like Lemon Cash essentially do the same, but convertibility is extended beyond state-issued currencies. Thus, the properties of a broad range of currencies are united in a single digital interface. These applications are however, like banks, intermediaries that must be trusted by their users. I asked Alex, who worked at Reserve if he believed that Argentines were more likely to trust tech-companies than banks, given that most people use digital payment applications, but still are hesitant to store money in a bank. Although he did not believe this to be the case, my observations suggest that there might be something to it. My interlocutors Pedro and Ezequiel would never keep any significant amount of money in their bank accounts, yet they use several centralized platforms to store “cryptocurrencies”. While Nakamoto (2008) argues that Bitcoin is a way to avoid financial institutions, what has happened in practice is that new ones emerge.



Picture 5: Visa-cards issued by Lemon Cash belonging to Ezequiel and two of his friends. The photo was taken by me.

The paradox

The case of El Salvador illustrates an even more profound re-introduction of intermediaries to the management of “cryptocurrencies”. In 2021, Salvadorean president Nayyib Bukele introduced legislation that made Bitcoin an official currency and legal tender in El Salvador (Kshetri, 2022). His government argued that this measure would bring several benefits to Salvadoreans, like attracting foreign investment, and reduce the costs of sending remittances. As of 2022, personal remittances make up 25% of El Salvador’s GDP, thus it could have significant impact if transaction costs for these transfers were reduced (Kshetri, 2022). Furthermore, 70% of the Salvadorean population are unbanked, and the government argued that adopting Bitcoin which only requires internet access, and a smartphone could drive financial inclusion (Kshetri, 2022). However, after six months, the data indicated that consumers and businesses had yet to embrace Bitcoin as money. By January 2022, only 14% of respondents in a survey had conducted transactions since the

implementation of the program. Moreover, the government's claim that Bitcoin adoption would impact remittances is also still yet to materialize, as of January 2022 only 2% of remittances were sent using cryptocurrency-wallets (Kshetri, 2022). When implementing Bitcoin as legal tender, the government developed its own Bitcoin-wallet called "Chivo". To sign up for a "Chivo" wallet, users had to register with a Unique ID number (national ID), phone number and a photo. The security of the mechanism verifying these credentials proved to be questionable:

A Salvadoran YouTuber tried to open a Chivo wallet for his grandmother as a test of the verification process. He had a photocopy of his grandmothers UID, which was accepted as valid. For the real time facial recognition, he took a photo of Sarah Connor, a character in the Terminator movies from a poster on his wall. The application was approved and the US\$30 was released (Kshetri, 2022, p.87).

Trusting Bitcoin in El Salvador does in line with the above description mean that one must trust the state to handle personal credentials safely. Using the "Chivo"-wallet can thus be understood as an interaction with the state that links Bitcoin to personal identity. When Dodd (2018) compares Bitcoin to cash because it offers freedom from the "*dataification*" (p.40) of economic activity, this is only true when talking about transactions on the blockchain itself. In the Salvadorean case, Bitcoin has through the introduction of the "Chivo"-wallet become a tool of government control over personal information. This is far from the "utopia" of disintermediated money which Dodd (2018) cites is at the heart of Bitcoin:

Firstly the Bitcoin network is decentred and flat – with no hierarchy and no single point of authority; second, Bitcoin offers reliable technological solutions to key problems of monetary governance such as inflation; third, Bitcoin dispenses with the need to trust others, whether they are experts, politicians or ordinary people and fourth, Bitcoin is debt free money (p.42).

While it is true that Bitcoin's monetary policy is beyond government control, the Salvadorean case highlights how money is contested and shaped by both people and institutions. In the case of El Salvador, *avoiding* cryptocurrency means *avoiding* the state, while in Argentina, *adopting* them achieves the same. Both cases involve the re-introduction of intermediaries and thus contradict Bitcoin's ideological origins. The two examples are interesting as a comparison because they illustrate that all money becomes inscribed with social meaning, no matter their ideological origins (Zelizer, 1989).

All money is virtual – but "cryptocurrencies" are not equal

One evening, my interlocutor Daniel and I were sitting in the kitchen of my apartment sharing a meal. After we had finished eating, he said: "*can you believe that we paid for this with magic internet money?*". He paid for the meal with USDT, using his Lemon Cash VISA-card, and the question he asked was a reference to the fact that some people believe "cryptocurrencies" to be worthless. Dodd (2018) describes that cryptocurrency often has appeared in public discourse labeled as "*money created out of nothing*" (p.42) and that its value is virtual rather than real. Dodd (2018) however contests this claim and argues that "*all money is virtual, in the sense that it relies upon the series of claims and obligations in which it is embedded*" (p.42). When I asked Leandro what gives "cryptocurrencies" their value, he described:

The value of a cryptocurrency is given by what is backing it. The value of giving a solution to a problem. A project which solves something. It impacts people. It simply comes to

change, fix and solve a problem. Ethereum⁶⁸ lets people transact quickly and do parties can do business in a transparent way. That are to a certain degree trustworthy

El valor de una criptomoneda esta dado por lo que esta respaldando. El valor da la solución a un problema. O un proyecto que soluciona algo. Impacto en las personas. Simplemente que llege a cambiar, arreglar o solucionar un problema. Etherum hace que la gente puede hacer transacciones rapida y hacer negocios entr partes en forma transparente. Que esta bajo de una cierto nivel confianza.

The IMF (2023) make a distinction between what they call “unbacked cryptocurrencies” like Bitcoin and Ether, and “backed cryptocurrencies” such as the stablecoin USDT (p.4). It is of course not the case that Bitcoin and Ethereum are “unbacked”. Like Leandro indicates, they are backed by the social relationships that confirm their value. If the demand for transactions in Bitcoin there would be no incentives for the network to keep operating. Stablecoins like USDT who the IMF (2023) report describe as “backed” are dollar-derivatives⁶⁹, and thus conceptually not dollars in legal terms. However, as Leandro indicates and has been shown throughout the chapters, they are treated as such because they fulfill the monetary functions that can be expected from dollars. The price of USDT is defined in the “blue market”, and they can be used to enter relationships as if they were dollars. In the terms of Sharma & Gupta (2006) they can be considered dollars because they are “re-enacted” as dollars. The term “cryptocurrency” is for these reasons problematic because it seeks to describe monetary forms that have widely different qualities. Nakamoto (2008) clearly states that the purpose of Bitcoin is to provide a peer-to-peer cash system free from governments and banks. Buterin (2015) describes that the second biggest cryptocurrency by market capitalization, Ether⁷⁰, “*is the main internal crypto-fuel of Ethereum, and is used to pay transaction fees*” (p.13). In the terms of Bohannon (1959), it is then reasonable to argue that Bitcoin was created to function as “*general purpose money*”, while “Ether” was intended to be “*special purpose money*” (p.492). USDT has on the other hand been created to emulate the “general purpose” functions of dollars and are issued by private companies. Yet all of these are referred to by the same term, obscuring their qualitative differences. This chapter does not suggest a term to replace “cryptocurrency”, but there is certainly a debate to be had regarding its usefulness. If anything, what these currencies have in common is that they are *expressions of value*.

Concluding remarks

This chapter argues that although the ideology of “cryptocurrencies” originated in a desire to avoid intermediaries, they are re-introduced as people adopt them for the purposes of creating and maintaining social relationships with money. This does simultaneously suggest that what my interlocutors attempt to avoid is not intermediaries *per se* but specifically those that are associated with the peso. Although most of my interlocutors do not trust banks, they do trust tech-companies to store their money. What seems to really matter is whether money is experienced as a problem or a solution to practical problems. Keith Hart (2010, p.161) describes money as “*a virtual world of abstraction*”. In these terms, applications such as Lemon Cash can be understood as one example of such a “virtual world. Within these digital interfaces, people can “ earmark” their money for different purposes and access different relationships and futures (Zelizer, 1989). Daniel

⁶⁸ Ethereum is a blockchain. See Buterin (2015)

⁶⁹ Financial instruments whose value are based on one or more underlying assets.

⁷⁰ Ether is the native currency of the Ethereum blockchain. All transaction fees on Ethereum are paid in this currency.

described that he holds Bitcoin as a long-term store of value, owns USDT for short term capital preservation and spend pesos in the present. All these forms of economic activity are available through the same platform and thus can be understood to unite what I have described as the two currency spheres that have been created by inflation. Just like Zelizer (1998) predicted, the creation of new forms of electronic currency do not mean that people will stop differentiating between them.

Chapter 8

Conclusions

Throughout this thesis I have shown how money is contested, debated, shaped and re-shaped in the context of an economy with high inflation. After an introduction presenting my theoretical point of departure and a reflection on methods, the second chapter provided a description of Argentina's political history since 1945, emphasizing some old lines of conflict. The third chapter illustrated that maintaining a stable currency is a collaborative practice and highlighted the importance of trust for money to be accepted as a standard of value. The fourth chapter argued that people adopt the dollar as their preferred currency because it allows for projecting the future in ways that cannot be done with the peso. The fifth chapter showed that high inflation undermines money as a "standard of deferred payments" (Hayek, 1990) and that this might generate social conflicts. The sixth chapter argued that high inflation makes it difficult to communicate through prices and that choice can be studied ethnographically by defining it as an imaginative process. The seventh chapter argued that new financial technologies integrate different qualities of money in the same digital interface but problematized the term "cryptocurrency".

In their totality, these chapters have argued that money makes relationships possible, and it makes them visible. They illustrate that the value of money is influenced by narratives, and it is a constitutive part of narratives. These chapters do show that all money is "*special*" in the sense that people differentiate between money depending on the social relationships they mediate (Bohannon, 1959; Zelizer, 1989). Money carries meaning and transactions are inevitably filled with the intentions of social beings. People bring with them their emotions, memories and hopes into their economic lives. These chapters furthermore show that markets are cultures with their locally negotiated logics (Abolafia, 1998). The peso is a currency intended to be "all-purpose" (Polanyi, 2018) but high inflation makes it suitable only for some of the functions that money is expected to fulfil. This thesis began with the question *how do expectations of high inflation affect people's ability to participate in markets?* First and foremost, expectations of high inflation make the peso unsuitable as a tool for projecting the future. It makes people seek towards other currencies that enable long term planning, and therefore form relationships that are not mediated by the peso.

Furthermore, I have argued that a possible way to understand the term *stability* is as *the perceived limitation of unknown unknowns* (Kay & King, 2020). Monetary instability then means that it becomes difficult for people to anticipate the actions of other economic actors. I argue that the future can only be filled by imagination because it only exists as *time-to-come* (Shackle, 1979). Money, when it is stable, allows people to use their imagination to fill this future with what they deem desirable. Money is somewhat contradictory in its meanings. It can be a liberating tool for the materialization of personal will, but it can also be a daunting constraint on human imagination. The separation of the peso and the dollar into distinct economic spheres is a result of what I have described.

These currencies accomplish different things. The peso is used for everyday transactions that can be immediately settled. The dollar is on the other hand the currency people use as their reference when approaching the future. All money is inscribed with social meaning, and new forms of electronic money are not an exception. Platforms such as Lemon Cash do to some degree make the peso and dollar work as "*general purpose money*" (Bohannon,

p.492) by re-integrating these currencies within the same digital interface. I argue that monetary plurality is a likely future destination for society. As a decision-making tool, this also allows for a greater flexibility in how people make their choices with money. Ricardo uses the peso for buying necessities, pays his rent in physical dollars, earns his income in USDT and saves some of his money in Bitcoin. All these practices answer to his expectations of what the future might entail.

The Argentine context was and is fascinating for a researcher interested in money, for reasons I believe to have shown. Perhaps no other modern society illustrates the relevance of anthropological perspectives on money in the same way. Although there are few countries in the world where inflation is as high as in Argentina, hyperinflations do unfortunately occur on a regular basis. Researchers who have the opportunity should describe them when they do. Surely, the hyperinflation in Lebanon will have produced other responses than what I have found in Argentina. I do however not have any doubts that people there are just as concerned about finding solutions to their problems as the people I have met in my field. Other researchers who are interested in money might, at least so I hope, find several of the topics described in these chapters interesting. Personally, I would suggest diving into the inner workings of the "*blue market*". There are for example still many questions to be answered about how the price of the dollar is coordinated among the different "cuevas". Getting the access to describe this phenomenon in detail would require both bravery and time to build sufficient trust. After all, these institutions move larger amounts of money than the 150-400 dollars I changed when I went there. Nonetheless, I argue that understanding these kinds of economic phenomena are among the things that anthropologists can do very well. Economic problems are social problems, and they should thus continue to be studied in detail by ethnographers. Studying inflation as an anthropologist was a decision that was met by surprise by many of my interlocutors, as well as others I have told about my project. Most people assumed that I was an economist or a political scientist. My contribution to the field of economic anthropology is hopefully to have demonstrated how high inflation is not primarily a problem of numbers, but for the individuals who live with it. In the introduction to this thesis, I described that I had taken money for granted in my own life, that is surely not the case anymore.

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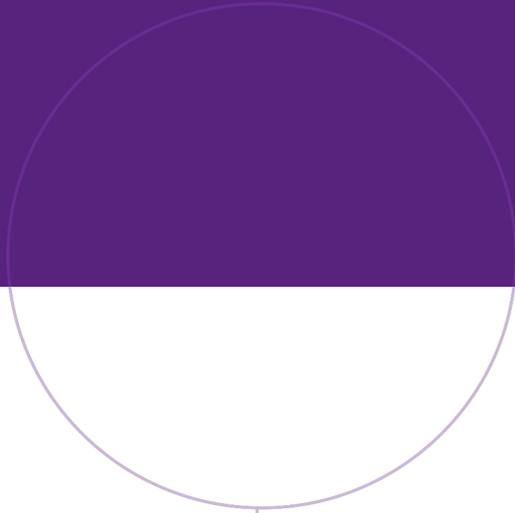
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