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## *Six Reasons To Believe:* **“In this Country Anything Can Happen”**

By Martha Farmelo

OCTOBER 9, 2002

BUENOS AIRES, Argentina—Last night my partner Alan and I made dinner for Alejandro Villa, who works with the adolescents I wrote about in MJF-6, and his girlfriend Patricia. At about 11:00 pm, after stuffing ourselves with linguine smothered in Alan's scrumptious, spicy, bacon sauce, we sat around our mesquite table drinking bitter espressos and eating a chocolate cake Alejandro had made for the occasion.

As the conversation turned to politics, Alan and I asserted that by definition the next President will head up another transitional government incapable of accomplishing much—not unlike



*Alejandro Villa insisted the next government must demonstrate concrete achievements or it will collapse.*

that of current President Eduardo Duhalde, who was selected by Congress to finish out Fernando de la Rúa's term after the protests and turmoil of late December, 2001. For months polls have shown that so many Argentines intend to annul their ballot or simply abstain from voting that the next President's mandate is likely to be paper thin. One survey a few days ago showed 27 percent support for “nobody” compared to 15 percent for the now-leading candi-

date, December's seven-day President Adolfo Rodríguez Saá.

Still, Alejandro frowned as he shook his head vigorously and said, “No, no, no. There will be no more transitional governments. It's impossible. The next government will have to do something concrete or it will fall.”

“Agreed,” said I. “And then what will happen? What happens when the next government falls?”

“No sé,” said Alejandro, still shaking his head. “I don't know.”

Patricia added quietly but firmly, “*En este país todo puede pasar.*” In this country *anything* can happen.

I think she hit the nail on the head. Time after time, I have had this precise feeling.

All the Argentines I know—even the keenest of political and social analysts—share my sense of utter uncertainty. Yet some of the events that provoke that feeling might not be the same for them as for this North American expatriate. Here are just a few examples of the situations that have stirred in me the sensation that

virtually anything can happen next.

## I. Flickering Lights

Call me naïve, but several weeks ago I was stunned by a conversation between Alan and his sister, Cristina. It was about nine at night and we were lounging around while Cristina and our son Camilo looked at a picture book when the lights flickered for a few seconds before returning to normal. Not a big deal. Or at least that's what I thought.

Cristina said, "Have your lights been flickering often? Mine have, and I'm sure it's just the electric company trying to justify a rate increase."

"*Obvio*," replied Alan. "Obviously."

"What do you mean, 'obviously?'" I protested. "The



Alan's sister Cristina and our son, Camilo. Cristina's rather innocent comment about the electric company flickering the lights stunned me—but only for a while. Photo by Neil Farnelo.

electric company makes the lights flicker on purpose?! To justify a rate hike? You've got to be kidding me."

They looked at me, smiled and raised their eyebrows as if to say, "So what?"

"Explain this," I demanded.

"They argue that if rates don't go up, they won't be able to maintain normal service," Alan said. "Supposedly the provision of electricity will falter and they won't be able to do anything about it. They've done this before." Apparently, in the mid-1990s, the government of then-President Carlos Menem effected periodic blackouts to justify the privatization of the then-state-owned electric company.

Today, electricity in Argentina is provided by a hand-

ful of private companies, each with its territorial monopoly. I've been trying to figure out what it means if people cannot trust their electric company: really, if Alan and Cristina are right, this is blackmail. And despite the inconvenience, what about the disruption to hospitals, to businesses, to the operation of computers and the services that depend on them?

Over subsequent days I checked this interpretation of the flickering lights with about a half-dozen friends who all agreed with Cristina and Alan. Now, a few weeks later, I'm entirely accustomed to this notion. In fact, it seems perfectly normal. But that night I said to myself, "What in the world will happen next?"

## II. And When the Richest Argentines Begin to Barter?

That wasn't the only time I've asked myself that question.

In response to increasing unemployment and poverty, barter clubs called "*Clubes de Trueque*" have sprung up like baby rabbits all over Argentina. In more middle-class neighborhoods, people trade everything from used clothing and household goods to haircuts and Tarot card readings. In more marginal neighborhoods, food is by far the commodity in highest demand.

The newspapers reported in February that there were already more than 4,000 barter clubs operating in the country. In general, the "credits" that operate like a currency for the barter clubs are tradeable at most any club in the country. The town of Calchaquí in the province of Santa Fe made news last November when the town council agreed to let its 13,000 inhabitants pay their local taxes with barter club credits.

*Trueque* has become a household word, even for little children. Just the other day my son Camilo and I were kneeling on the floor playing that he was a lion with 16 newborn cubs when he offered to sell me "as many as you want."

Horrified, I replied, "How can you sell your children?"

"Sixteen is too many," he told me. "They're going to ruin my home."

He is only four, too young for a discussion of the immorality of selling one's kids, I thought. But most of all, I didn't have the energy to figure out how to have that particular conversation.

"Well...I don't have any money," I said, feeling clever.

"We can do a *trueque*," said Camilo, more clever than



(Bottom, right) ICWA Director Peter Martin and Beatriz Rivero, coordinator of a Sunday afternoon barter club in the middle-class neighborhood of Boedo in Buenos Aires. (Above) Rather than trading furs, most Argentines barter things like used clothing or services. (Top, right) The dark-lettered sign offers dentistry services: an extraction costs 10 credits, while a regular cleaning costs 30. The hand-lettered signs just above it offer psychoanalysis for children, couples and families and announce that someone is looking to trade credits for a TV, fishing equipment and a bicycle.

I. "You can give me some meat, any kind of meat."

I paused, then gave up. "OK. Here's some cow meat," I said, making a dumping gesture with my hands. "I guess if I just take one cub, she'll be lonely. She doesn't know me. Give me two, OK?"

"OK," he said, reaching out his cradled, empty hands as if to hand me two sweet lion cubs.

One woman who trades used clothing at the barter club nearest my home told me how much she enjoys breaking out of her isolation and discovering the social joys of barter clubs. Yet a middle-class psychologist I know was horrified by the one visit she made to a club in her neighborhood on the southern edge of the city of Buenos Aires. She scrunched up her face with disgust when she told me, "It was awful. It was so primitive. It made me ask myself, 'What have we come to?'"

Meanwhile, wealthy *porteños* (residents of the port city of Buenos Aires) are famous for being among the snobbiest people in Latin America, if not the world. The exclusive Recoleta neighborhood in Buenos Aires is home to many of those extremely well-to-do men and women.

Who would have dreamed that such individuals would stoop to trading their furs and other luxury items? Yet that's exactly what they've done: a group of neighbors in Recoleta has opened their very own *Club de Trueque*. The only difference is that unlike the 4,000-plus

clubs in the rest of the country, participation is limited to those who live in Recoleta. In fact, this club created its very own currency, called *Recoletas*.

In some ways, I should not have been surprised. Rich Argentines who failed to move their money to accounts in Uruguay, the United States or some other destination outside Argentina essentially lost their savings when the government froze bank accounts in December, 2001. Those who kept their money in Argentina saw its value slashed when their dollar accounts were converted to pesos at the rate of one dollar to 1.4 pesos, though the exchange rate is now 1 to 3.6. However, I confess that when I saw the images of extraordinarily well-dressed women laying out their mink stoles on folding tables, once again I thought to myself, "What next?"

### III. When Doom Is Presented as Wonderful

What came next was simply crazy. On September 20, the government announced that during the second quarter of 2002, the economy contracted "only" 13.6 percent (relative to the same period of 2001). Given that the first quarter contraction was 16.3 percent, this was presented as wonderful news.

As a point of comparison: over the last ten years, the US economy has grown at an average rate of 5.6 percent per year. The last time the US experienced negative growth at all was in 1949, and the economy contracted a



mere 0.7 percent during that year.

Despite being presented as rosy news, that second quarter statistic was so horrific it gave me goose bumps. Alan, an economist, told me that if current trends continue, by the end of this year, Argentina's economy will have contracted 27 percent since the recession began in 1998. This is remarkably close to the 33 percent contraction in the US economy during the economic downturn of 1929 to 1933. In other words, the dimensions of Argentina's crisis are becoming perilously similar to those of the Great Depression.

Nonetheless, the government's budget proposal for 2003 projects three percent annual *growth*, despite a lack of any meaningful reactivation policies. Most everyone I've spoken to believes this is ridiculously optimistic, even silly.

As I held the newspaper in my hands and tried to digest these statistics, I said to myself, "OK you guys, what's next?"

#### IV. "If It's Up to Me, I'm Buying Dollars."

Sometimes the significance of such experiences doesn't hit me im-

mediately. Such was the case when I got together with four mothers of Camilo's schoolmates to organize a fund for the kids' birthday presents.

At Camilo's pre-school, the eight mothers of the "*sala de cuatro*," (the four-year-olds' class) are a united group. Each time one of the children has a birthday, we pool eight pesos each to buy presents for the birthday boy or girl, usually an outfit and some toys. Graciela is the mother of Andrea, a little girl with Down's syndrome who is now in her third year at this pre-school. (For about ten years now, an increasing number of schools have been integrating children with Down's syndrome into their classrooms.)

Graciela was the first to suggest that rather than always scrambling to get organized a day or so before each event, we contribute ten pesos each at the beginning of each month to cover the eight birthdays plus the traditional gifts for teachers on September 11 (Teacher's Day) and at the end of the year. The topic came up in mid-March during a birthday party at a McDonalds. As we sipped sugary, piping-hot coffee from Styrofoam cups, Graciela offered to collect and administer the money.

"Mind you," she said, "if it's up to me, I'm buying dollars."

"*Obvio*," replied the other mothers in chorus, just like Alan and the flickering lights.

I hesitated for a moment, then remembered that after January's devaluation, the peso had been slowly but surely losing value vis-à-vis the dollar. In other words, as time passed, one could acquire more and more pesos per dollar. To make things worse, prices were rising all around us—but not as fast as the peso was inflating. What



Graciela (left), deep in conversation with my friend Lina, another pre-school mom.

Graciela suggested made sense: each month she would collect the money, buy and hold dollars, then convert them back to pesos when it came time to buy a gift.

"Of course," I finally chimed in, a bit delayed.

Only a few days later did I realize that our little scheme is illustrative of one of the key elements of the economic crisis that has been brought to my attention by a slew of Argentine economists and other analysts: the lack of a viable Argentine currency.

Perhaps that sounds extreme. Let me explain.

Most Argentines don't believe the peso will hold its value—and indeed, it has not. Since the devaluation, the hefty little silver-and-gold-colored peso coin that used to be worth one dollar is now worth 28 cents. As a result, it is far more advantageous to hold dollars than pesos, even for short-term savings like our gift fund. However, as more Argentines buy dollars, the price of the dollar increases, which drives the value of the peso down even further. Under these conditions, no one wants to save in pesos.

However, one can no longer hold dollars in the bank. As a result, Argentines have resumed buying little safes to keep at home or are simply stuffing dollars in their mattresses or wherever else they think is top secret and secure. Two nights ago, I heard my friend Vero and her husband Marcelo arguing over whether to put their dollars in a safe deposit box at the bank or stash it at home in a hermetically sealed envelope buried in the dirt surrounding their big peace lily.

When no one saves in pesos, no one puts money in the bank. If no one puts money in the bank, banks cannot make loans. If banks cannot make loans, few businesses, large or small, can operate for long. The effect on the economy is disastrous.

Granted, the freezing of savings accounts and time deposits (know as *el corralito*, the little corral or playpen) is another reason why I've heard more than a dozen times, "I'll never put a peso in a bank again." But that's a whole other problem.

The evening after the event at McDonald's, I bathed Camilo, read him a good-night story and then collapsed on our living room couch. Only then did I remember a conversation with Horacio Costa, an economist who works with a Peronist union of construction workers. Back in February, Costa told me, "Institutions have been destroyed, such as our currency. This is the worst possible moment to float the value of the peso."

Around the same time, Claudio Lozano, chief economist for the *Central de los Trabajadores Argentinos* said the same. "It is impossible to talk about a real redistribution of wealth without first fixing the exchange rate and 'de-

*This cartoon appeared in La Nación on September 28, 2002. The woman says, "I don't understand what you're trying to say that sex and money always end up mixing." The man replies, "Nothing, Carola, just that we're keeping our money under the mattress."*



dollarizing' the economy," he told me.

Obviously, there is nothing like living immersed in this crisis for comprehending it. In contrast to something I might have read in a book or even a conversation with a local economist, it was Graciela's announcement that she would buy dollars for the birthday-gift fund that stunned me into fully understanding how Argentina indeed lacks a viable currency.

"What next?," I want to know. With problems this deep, how in the world will this country emerge from this crisis?

## V. When Change Gives You Vertigo

The rapid changes happening around us often leave me feeling totally disconcerted. Like the business of hoarding dollars at home, a slew of these changes were set in motion by the devaluation of the peso.

When we first started the local paperwork for Camilo's and my visas, the lines at the Immigration office were so long that we had to wait hours for service. However, once one peso no longer equaled one dollar, the amount of money an immigrant from Bolivia or Korea could send back home fell so dramatically that many foreign residents simply went home. Suddenly the lines at the Immigration office became quite short. In fact, the place became almost eerily quiet.

The day Camilo and I went to get our national identity cards, we were in-and-out in about 40 minutes. Since so many of the women workers were idle at their computers, they happily played with Camilo while I was fingerprinted and had my picture taken. What used to be a bureaucratic nightmare was transformed into a perfectly delightful outing.

Regarding a far less mundane matter, my friend Adriana (the mother of two little girls) told me she and her husband Pablo were on the verge of selling their tiny apart-

ment and buying a house when December's *corralito* and January's devaluation combined to paralyze the housing market.

For months, it has been impossible to get a loan to buy a home, so Adriana and Pablo must pay in full with cash. Pablo's mother was planning on helping them out with the down payment, but her money is trapped in *el corralito*. Likewise, since most potential homebuyers have their money in *el corralito* too, they have little hope of selling their apartment.

Even if they had potential buyers, "There are no prices in this market," Adriana said with a look of profound disappointment. She and her husband have no idea how to price their home. When I linger in front of the dozens of white, rectangular housing ads in the picture-windows of real estate offices, I see that prices have generally gone down in dollars but way up in pesos. Yet prices vary widely. For those places still on the market, a low price might be the function of how desperate the owner feels to sell fast (and abandon the country, perhaps). Alternatively, a high price might reflect a seller's desperate hope to obtain the full amount in dollars that he or she was expecting before the devaluation.

Inflation is another mind-bender. One never knows just what something is going to cost from one day to the next. For example, the cost of a liter of milk has steadily crept up until it is now double what it was before the devaluation. We all know that with a weaker peso imported goods or items with imported components now cost more. When the cost of milk first began to rise, one friend of mine wanted to know, "What component of the cow is imported?"

I imagine urban bus fares will rise sooner or later, since like milk, the price of diesel fuel has doubled. The other day I saw a flyer taped to the inside of a bus that read, "Diesel: Before: one liter = 42 cents. Now: one liter = 85 cents. Bus fare: Before: 80 cents. Now: 80 cents. We can't continue like this much longer."

I use soft contact lenses

that require a disinfectant solution called AOSept, which is imported in Argentina from Ontario, Canada. In late February, I got a sneaky feeling that the cost of AOSept was about to rise precipitously, and so I bought ten months' worth of solutions at about 15 pesos or US\$8.50 per month, at that time. Today the price is 45 pesos per month. Even at an exchange rate of 3.6 pesos to the dollar, that's US\$12.50. Sometimes products simply disappear from the market, like "Skip," our favorite laundry soap, which was imported from China. I am thinking I should skip out and buy some more AOSept, perhaps even today.

## VI. And When Change Does *Not* Occur

Sometimes the feeling that just about anything can happen surfaces when something major stays the same, such as the President remaining in office.

When the Duhalde administration announced in



*The magician at this birthday party was a hit with the kids and adults alike. My friend Adriana is the long-haired woman crouching on the left.*

mid-February that the initial 1.4 peso-dollar exchange rate would no longer be government-regulated, Alan's father and I decided to bet on how that exchange rate would evolve over the upcoming six months. While we were at it, we placed bets on how long President Duhalde would hold on to the Presidency. Alan and his brother Martín got in on the game, while Alan's mother chose not to participate. We all confessed it felt a bit perverse, yet in that ever-prevalent spirit of black humor, did it anyway.

Alan bet that six months later the exchange rate would be at four pesos to the dollar. At the time, his estimate seemed high and the rest of us thought he was crazy. Yet in mid-August, the exchange rate was about 3.6 and his high prediction won that part of the bet. Alan and his family thought President Duhalde would last anywhere from a few weeks to three months, while my gut told me he would last a good while before people would become fed up and demand his resignation, and I bet on August 15 as his last day in office. Though *La Nación* reported that in the first eight months of Duhalde's Presidency the government had registered no fewer than 12,766 protests, here we are in October, and he is still in office.

Over the last several months there has been a bizarre contradiction between the continual protests mounted all across the country and the persistent sense that Argentine society is "demobilized," if you will. That sense of popular paralysis is due in large part to the overwhelming lack of significant *cacerolazos*, or pot-banging marches, in and around the capital. The only widespread protests in recent days have been two noisy, pot-banging and horn-honking events in Buenos Aires to express concern and outrage about violent crime and lack of personal security.

Curiously, these issues are not at all the ones being discussed in the neighborhood assemblies, the organizational legacy of the December 2001 *cacerolazos* (see MJF-9, *Gender and Participatory Democracy – Men and Women Cry Out Together: "Never Again 'Don't Get Involved!'"*). If some populist politician were to tap into the widespread anxiety and indignation around issues of security, I suspect the electoral panorama could change overnight.

Meanwhile, the Supreme Court recently ruled that the 13-percent cut in public salaries and pensions implemented in 2001 is unconstitutional, presumably forcing the government to increase spending by billions of pesos both retroactively and in the future. The Court has threatened to rule that the conversion of bank accounts from dollars to pesos was illegal, as well, which as far as I can tell would throw the government and financial system into chaos—or not.

One Friday in early February the court ruled that *el corralito* was unconstitutional, which I believed meant the teetering banking system would collapse when the banks opened on Monday morning. Yet the government sim-

ply closed down the banks for several days and then found all kinds of ways, including illegal presidential decrees, to stall on releasing depositors' funds.

Like my Argentine friends and neighbors, I'm learning to live with whole new levels of unpredictability. I take pride in this growing capacity to face the unknown. When I applied for this fellowship I submitted an essay that led with my personal mission statement that among other things, expressed my desire "to risk and to live with uncertainty."

Argentina is giving me plenty of practice, more than I ever bargained for. □

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### Post-script: October 23, 2002

Last night I was among about 2,000 people who attended a dance performance at the world-famous Colón Theater in honor of the 25<sup>th</sup> anniversary of the Grandmothers of Plaza de Mayo. These brave women have worked tirelessly to find their grandchildren who were abducted during the grisly dictatorship of 1976-1983. Many of these now-young-adults were born in detention after their parents were "disappeared," and then illegally adopted, often by members of the police or armed forces.

Given the music and dancing, the last of the eight pieces by Maximiliano Guerra's exceptional Ballet de Mercosur was an obvious metaphor for the current situation in Argentina. I was stunned when the first half of this piece ended with Guerra alone, center stage, back to the audience, standing straight up, elbows bent with hands palm-up in a pose that expressed quite clearly, "Who knows what will happen next?"

After the dancers' final bows, Guerra escorted the elegant, white-haired Estela Barnes de Carlotto, President of the Grandmothers, onto the stage. She was soon joined by a number of other Grandmothers—I started to count,



Estela Barnes de Carlotto (far right) with other Abuelas de Plaza de Mayo and some of their grandchildren. Photo by Daniel Jayo.

then forgot to finish—many of whom had come to Buenos Aires from Argentina's interior to celebrate this anniversary. Since only moments earlier I had been reflecting that these women are old and will not be around for long, my eyes filled with tears as I took them in, especially the handful of women who leaned on canes, struggling a bit to walk.

Moments later, a number of young people came on stage to present each of the grandmothers with a single rose wrapped in white cellophane. I suddenly realized that they were some of the 70 grandchildren who have been found, some of those who have had the courage to embrace their real (biological) families and face the horrific truth about their "disappeared" parents.

At this point, the tears began streaming down my cheeks. I have a dear friend in Uruguay whose brother, sister-in-law and 18-month-old niece, Mariana, were disappeared in Buenos Aires in 1976. Mariana is one of those grandchildren who eventually learned that their adoptive parents had actually participated in the detention, torture or disappearance of their "real" parents. Although she eventually, quite tentatively, accepted a relationship with her biological relatives, she refuses to be called Mariana. At her request, former President Carlos Menem pardoned her adoptive parents after they were jailed for falsifying her identity papers.

A few moments after the flowers were handed round, and as I sat on the edge of my seat, Carlotto made hope-filled remarks about the dancers, the grandchildren and Argentina's future. She chose not to mention that just a few weeks ago, unidentified individuals shot up her home with powerful guns in what she took to be an attempt on her life.

Her mention of the 30,000 Argentines "disappeared" during the last dictatorship, memories of that attack on her home, and the life-giving power of witnessing these women and their grandchildren deepened my sense that most anything can happen here. But this time I didn't wonder what comes next. When it was all over, I simply lifted myself out of my seat with a strange sensation of being both drained and filled with emotion, all at once.

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