

**(DRAFT VERSION, not to be published yet)**

**Latin American Network of Solidarity Economy – REDLASES**

**SOCIAL MONEY AND DEMOCRACY:  
MANUAL FOR UNDERSTANDING AND TAKING ACTION**

**How to improve the economy of your household and that of your district, city and  
region...**

ABC of the Solidarity Socio-Economy - Buenos Aires 2006 – [www.redlases.org.ar](http://www.redlases.org.ar)

**What is RedLASES?**

RedLASES - the Latin American Network of Solidarity Economy is an open space of reflection, education and exchange of experiences, which was born in 1999, as an initiative of a group of promoters of the Red de Trueque Solidario –RTS (Solidarity-based Barter Network) in Argentina taking into account that:

- In their first four years of existence, the barter clubs could solve neither the technical problem of mass production nor the political problem of management of an open network and democratic, participative model;
- Social Money is an empirically demonstrated, useful strategy, estimated powerful enough to be adopted by other initiatives of the Solidarity Economy movement. From this combination new answers will possibly come up to deal with social exclusion.

Since its foundation, on top of weekly permanent skill training activities, RedLASES developed five national and six international seminars, to which participants from Argentina, Uruguay, Brazil, Chile, Ecuador, Peru, Colombia, Honduras, El Salvador, Canada, Venezuela, the Netherlands and Germany assisted. The main topic was the use of social money within the Solidarity Economy movement and, since June 2003, the launching of the Colibri Project brought its integration as an instrument for building and strengthening sustainable democracy. We invite you to visit the website in [www.redlases.org.ar](http://www.redlases.org.ar) and share your comments and contributions, which will be always welcome.

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**SOCIAL MONEY AND DEMOCRACY: MANUAL FOR UNDERSTANDING AND TAKING  
ACTION**

**How to improve the economy of your household and that of your district, city and  
region...**

This manual is the second publication of the ABC series of the Solidarity Economy aiming at teaching you how to do. It is worth telling you that the first version in Spanish was a huge success: more than 3,000 copies are currently in circulation in whole Latin America. In Brazil, a Portuguese version was issued, all sold out today. Therefore, beyond the core issue of social money as a democratic tool, this manual includes a short version of the first booklet on “How to launch a network of solidarity barter.”, and the modifications arising from practices in different countries.

More and more, barter fairs with social money are held in events of People's Solidarity Economy throughout Brazil, on top of national and international events such as World Social Forum. The reason why this happens is very simple: *people understand quite quickly that this is beneficial for themselves*. But, on the other hand, this does not guarantee its continuous performance when they go back home, because they think it is very difficult to organize a permanent structure, it seems a bit illegal to “issue money,” or even by the excessive work they already have.

There will be a short historical introduction and explanations on why, for what reason and for whom to do this, but the main goal is to convince readers that it is possible to do something to transform our economy today: here and now! In case you want to learn more, we will put references at the RedLASES' website, where you can find many historical documents and updates on what has been done in Latin America, from the Economic Literacy Program and the Colibri Project. We look forward to your visit to: [www.redlases.org.ar](http://www.redlases.org.ar).

This manual contains the following chapters and topics:

- I. HOW TO UNDERSTAND WHAT IS HAPPENING AT YOUR HOME. What is Solidarity Economy? What are barter clubs? Where to find initiatives in Brazil and Argentina? Who support them? How is the situation in the rest of the world?
- II. HOW TO START CHANGING WHAT IS NOT WORKING IN YOUR PRIVATE ECONOMY  
Launching a Solidarity Barter Fair in your district.
- III. HOW TO GO BEYOND IT AND ACCEPT NEW CHALLENGES  
Continuing with a barter club in your district.
- IV. HOW TO TAKE PART IN A BIGGER COMMUNITY

Getting to know other experiences in Argentina, Brazil and the rest of the world and keeping in touch with them. The COLIBRI Project

## I. HOW TO UNDERSTAND WHAT IS HAPPENING AT YOUR HOME

Unemployment, Solidarity Economy, Barter Clubs

### 1. What is Economy?

The original meaning of the word is “the rule to keep the house in order,” but it is hard to believe today. When we think of Economy, we immediately relate it to business people, bankers and politicians on one hand, and, on the other hand, growing amount of unemployed people, hundreds of failing small businesses, informal markets... Why? Because it is in this way that reality is shown to our eyes. So, it is understandable that in the last decades a movement of Solidarity Economy has been developed, not only in Brazil, but all over the world. There are many networks and networks of networks which tie up this movement: France had already a National Secretary in this area and today Brazil has its SENAES (National Secretary of Solidarity Economy) within the Ministry of Labor and Employment. On top of that, this country has the unique experience of the Brazilian Forum of Solidarity Economy (Forum Brasileiro de Economia Solidária), integrated by entities of the government, labor unions, NGO's and private supporting agencies ([www.fbdes.org.br](http://www.fbdes.org.br)).

### 2. What is Solidarity Economy?

It is an economy aiming at producing collective welfare and not the accumulation of wealth in a few hands. Many ways of producing can be included in this category, such as cooperatives, small associations of informal producers, but its main feature is that members help each other, make a fair distribution of profit and promote an active participation of all the members as a form of democratic construction. The following conditions are necessary to organize it:

- **production** should be collective, even in small units, to promote the efficient use of resources and create the cooperation that the formal system destroys automatically, and permanently;
- **commercialization** should be fair, which means, it should try to eliminate unnecessary costs, such as the excessive intermediation, and, at the same time, to include production terms creating a new model of economy without exploitation among people, in harmony with nature.
- **consumption** should be responsible and ethical, should favor recycling, using local resources and preserving the environment. In the current status of the concentration of wealth, every action of consumption is also a political action, promoting one of the two models of Economy: you either concentrate or distribute wealth.

***“We can still choose to live simply, so that many can simply live”.***

### **3. And what are “barter clubs”?**

Barter clubs, mutual helps or networks of solidarity barter are different names given to self-organized groups, aiming at the exchange of their products and services without using money. In this way, participants may have access to goods and services which otherwise would be inaccessible, and the little money at their disposal can be used for other purposes.

Since the beginning of human age, barter has been the way to exchange products and services for other goods and services, directly, without using money. However, there were two main limitations:

- not always who needs something can offer something else in exchange to the same person who produces what is needed.
- not always exchanged values are equivalent and barter is not possible.

In barter clubs, these obstacles are overcome thanks to the use of “another money”, which substitutes the official currency among the participants of the group. As a matter of fact, money historically was created to solve this kind of situation. As time passed by, it “evolved” and stopped being used exclusively as a means of payment and accounting unit; it became a reserve value, turned into a commodity, thus leading to the misconception that its accumulation is equivalent to wealth...

So, different forms of resistance to the current economy - which concentrates money in a few hands - created “another money” which corrects History and recovers the original function of facilitating exchanges between producers and consumers. It is in this sense that, far from being a regression to the past, as some see it, *social money* means surmounting these crossroads of the international financial system, in which today’s money is drained from production and diverted into speculation.

### **4. And is it legal to produce social money?**

It is absolutely legal. Because its use is voluntary among people -nobody is forced to accept social money - and also because it cannot be deposited in banks, creating more money without human labor. Rather than being legal, it is an important tool of solidarity finances, which are now growing in the whole world and have already very significant experiences as is the case of Argentina, where the unemployment crisis triggered the existence of more than ten thousands of self-organized groups and the existence of more than six million people who supported this

idea! As a matter of fact, in the last twenty years, different forms of cashless transactions started to appear, either in the form of an accounting system, in which everybody has the right for a certain amount of debit and credit, or by the use of some form of vouchers or bonds, distributed and controlled by participants themselves. The pioneer experiences were LETS, started by Michael Linton in Vancouver(Canada) in 1982, and then spread into the USA, England, Norway, Finland, Belgium, the Netherlands, France, Australia and New Zealand. In 1992, the Ithaca HOURS(NY, USA) were launched by Paul Glover, as a way to promote local development. Today more than 700 similar initiatives are found all over this country.

Although money has always been an untouchable mystery, things may get clearer if we refer to the definition of money given by the economist Bernard Lietaer - one of those who created the first European official currency project (ECU) and who became an enthusiastic promoter of local currencies all over the world, in the last decade: *Money is an agreement within a community to use something as a means of payment!*

So, if today money is lacking at your home, it is because ordinary people lost their right to have a job with dignity and money coming from it, because it went away to the financial circuit, where banks are engaged in the creation of more money to turn into... money! If you want to learn more about the functioning of the international financial system, visit this link to understand how it is possible for somebody to think: "*I want the whole Earth Plus 5%*" [http://www.relife.com/plus\\_5\\_.html](http://www.relife.com/plus_5_.html)

Even if we are ignorant of the labyrinths of the banking world, this definition of money enables us to learn that social money is already practiced in different forms today and, since a long time, has been coexisting with many "moneys" of private enterprises! It seems that this is the opportunity to replicate this idea among the poor, sub and unemployed people, who have been expelled from the market by globalization.

##### **5. How many initiatives are there in Argentina and Brazil currently?**

As a matter of fact, the first recent model of organized non-monetary exchange was launched by Michael Linton, in Canada, 1982 and in a few years spread to Australia, New Zealand, United Kingdom, France, Belgium and the Netherlands. Ten years later, the first model with an issued complementary currency – the Ithaca hour bill - started with Paul Glover's initiative in Ithaca, NY, northern USA. From 1995 on, different systems can be found in Ecuador, Mexico and Argentina, but for some still unknown combination of factors, it was the Argentinean model of "barter clubs" with self-managed social money that grew very explosively from a single group in 1995, a first

barter club with 23 members, up to one million members in only six years, and impacted over more than six million people's lives, according to a survey conducted by Gallup Institute. In 1999, one of the groups in Argentina created the Latin American Network of Solidarity Socioeconomy (RedLASES) aiming at diffusing the self-managed model throughout the region. Thus, the first "barter club" in Brazil was created in August 1998, in São Paulo, by the initiative of ADI (Association for the Development of the Intercommunication), who gave Carlos Henrique Castro and Sueli Mendes Freire the mission to learn from clubs' in Argentina and organize a similar initiative adapted to this city. Later on, through the Word Social Forum, that took place in Porto Alegre, Brazil, since 2001-2005, next initiatives took place in Rio de Janeiro, Porto Alegre, Florianopolis, Curitiba, Vitoria da Conquista, Goiania and Fortaleza. Currently, despite the non-existence of centralized statistics, it is estimated that there are about one hundred active clubs throughout Brazil. In September 2004, the National Secretary of Solidarity Economy at the Ministry of Labor and Employment (SENAES MTE) as an evidence of its recognition and support to "barter clubs" as a the valid strategy of the Solidarity Economy, organized the first meeting to network clubs at the national level ([www.sies.mte.gov.br](http://www.sies.mte.gov.br)). This ongoing support from government resulted in the adoption of Social Money-based Barter as a permanent strategy in monthly fairs occurring throughout the 27 states of the country, around Solidarity Economy initiatives. Different barter clubs from all over the world joined World Social Forums in Porto Alegre and Caracas (Venezuela), and since 2005 an initiative named MTS (Mercado de Trocas Solidarias), using social money during the event among producers of several countries of Southern Cone, became a permanent activity at the annually Alternative Cooperatives Fair at Santa Maria, in the state of Rio Grande do Sul ([www.esperancacooesperanca.org.br](http://www.esperancacooesperanca.org.br)).

## HOW TO START CHANGING WHAT IS NOT WORKING IN YOUR PRIVATE ECONOMY

### II. HOW TO START CHANGING WHAT IS NOT WORKING IN OUR PRIVATE ECONOMY?

Launching a Solidarity Barter Fair in our district

#### 6. Is it possible to organize a simple, attractive event to demonstrate that life conditions of families and local development can be improved at the same time?

Yes, of course. Even though you have never been in one, or you have been in one but have not understood what it means, it is possible to organize a Solidarity Barter Fair (MTS above) with all the elements that will contribute to organize permanent groups, if the initiative is successful. We invite you to prepare a pilot event with a small group as indicated in this manual,

and before the first event in your community, we OFFER you the possibility of checking out your plans with people who had already done it successfully before ([info@redlases.org.ar](mailto:info@redlases.org.ar) ).

### **7. And how can we name this initiative?**

In Latin America, we call it MTS - MERCADO DE TROCAS SOLIDÁRIAS (MARKET OF SOLIDARITY BARTER) because this name has already been used for some time. However, any name can be chosen as long as the main characteristics of Solidarity Economy and Social Money are clearly kept: Social Money Market, Solidarity Barter Fair, etc. *What is worth is what is practiced there...* It may last two or three hours, an afternoon or several days, as is the case of the year Alternative Cooperative Fair in Santa Maria, State of Rio Grande do Sul, Brazil. We shall adopt here the expression Solidarity Barter Fair - SBF - to mean this kind of initiative, in which social money strategy is introduced in a special event or in a previously existing one, as an educational practice.

### **8. How does a SBF (Solidarity Barter Fair) operates?**

It is a space where people exchange commodities, services and knowledge without official money, in a solidarity-based way. It means MTS promotes cooperation instead of competition, typical of the neo-liberal market, respecting ethical, ecological, human rights norms when producing and consuming. In an event of short duration, either prepared exclusively like MTS, or included as part of a bigger event, it is very important to remember that its main goal is rather *educational, cultural and political* than economical. SBF proposes every participant to experience a new way of circulating wealth, with the logic of solidarity barter and social money.

In the initiatives we have been involved so far, it was made clear that many people who go through this barter space very often are interested in getting products shown there; however as they have no social money, they can neither purchase them (since in SBF only social money is allowed) nor understand the mechanism of barter fair with a complementary currency. So, they are linked with other Solidarity Economy enterprises, where they buy products in official money, bring them to the Eco Bank, exchange them into social money and, then, join the solidarity barter market. As a result of such practices, more and more people were able to join the initiative and more solidarity enterprises could increase their turnover and understand barter system with social money as a new possibility of Solidarity Economy.

### **9. What is the function of the social money?**

The function of social money is to facilitate the exchange of commodities, services and knowledge. It works as a "voucher," that can only be used during a short period of time, agreed among organizers of the event: it is a private "deal" among producers and customers, nobody is obliged to use it, and banks do not accept them for payment. That is why it is not a "currency"

*sensu stricto*, so it was recognized as a legal instrument and was approved by the Central Bank of Brazil in 2004, after investigating Banco Palmas local currency..

#### **10. What is an Eco-bank?**

Eco-bank is the mechanism responsible for the emission, control, distribution and withdrawal of the social money in circulation. It may be during short term, organized events of solidarity exchange, or permanent ones (barter clubs or networks). Its goal is to put the social money into circulation, basically by way of exchanging social money with products which will constitute the real “backing” of the Eco-Bank. Taking into account the educational goal of the SBF (Solidarity Barter Fair), we strongly recommend the adoption of a 1:1 parity between social and official money. For example, for each 1 R\$ (one Real: Real is Brazil's official currency) of value in commodities that gets into the Eco-Bank, one unit of social money will be put into circulation. At the end of the event, the Eco-Bank operates inversely, telling all the participants in advance the day and hour in which products will be put into disposal for those who still own social money units.

#### **11. What is the “backing” of the Eco-bank?**

The “backing” of the Eco-bank are all commodities obtained in exchange for social money. It can be composed by commodities exchanged at the beginning of the market (one day event), or may also include some donations from public or private institutions, such as enterprises engaged in Solidarity Economy movement, in order to guarantee that all the social money units put into circulation could be exchanged again, at the end of the event. Donations, as well as most commodities in the reserve, must have a high acceptance among participants, so it is convenient that basic basket goods should be incorporated. An exact time must be informed to clear this “backing” before the end of the market, so that participants can learn where to retrieve commodities, if they accepted many social money units, as is often the case of those who sell ready-to-eat food...

#### **12. How to join SBF?**

Every person participating in the event is able to join the SBF, including Solidarity Economy entrepreneurs. The condition is to bring commodities in good conditions for use, able to be exchanged at the Eco-Bank for social money units, on top of filling out the registration form. Due to its educational character, the only restriction in this space is the trade of commodities or services in cash, official money. On the other hand, commodities and services offered during the space of the SBF are of the absolute responsibility of those who offer, so they are also in charge of any potential problem. That is why products should have a clear identification tag. In some cases, is advisable that commodities which value is over US\$ 50 should be registered with

name, address and ID card, avoiding the risk that stolen goods should be traded.

### **13. What are the ways of participating in SBF ?**

It is possible to join SBF by:

- \* doing *direct exchange (barter)*, that is, offering your commodity, service or knowledge in a direct way: on identifying something that you need or you find interesting, you can offer something you brought as simple barter, in case both sides agree.
- \* doing *indirect exchange*, that is, using social money obtained at the Eco-Bank, where a small part of the production may be exchanged by social money units. If the fair is already functioning and exchanges are already running, people can register and go directly to the indicated place and exchange their commodities for social money, which will be used later to get other commodities and services they are interested in.

### **14. How can be prepared the SBF?**

In our experience, it is important to carefully follow the different stages:

#### **FIRST STAGE – BEFORE THE FAIR**

- \* A committee of at least 10 people should be set up (Promoter Group)
- \* The tasks should be distributed as follows:
  - 3 people to work permanently at the Eco-bank (evaluate the products, consider their acceptance and never more than 20-30% of the articles brought);
  - 4 people to take care of reception desk at the SBF; at least 3 from these people are required to perform different tasks; the fourth one should mainly talk to visitors during the fair and accompany new participants before they join the fair, to show the possibilities they can't see, immediately;
  - 1 person should permanently update the panel of "classified ads" of offers and demands, in a visible place close to the Eco-Bank.

**Operational:** It is important to have a great deal of sensitiveness and flexibility, being able to put different people in action. The members of the Promoter Group should be present all the time and very aware of the functioning of the fair. Whenever it is possible, people at the Eco-Bank should remain in this function for some time, until they can "teach" their performance to new ones. It is very important they have previously practiced, in "pilot experiences", the use of social money, the formation of the backing, the distribution of social money, as well as being confident to the community and responsible in previous initiatives. *This guarantee is necessary because no mistake is allowed at the function of the Eco-bank*: the risk can seriously threaten future possibilities of projects in the field of community currencies and local development.

Whenever possible, it is important for the Promoter Group to join all the stages of the process.

a- A first meeting should be held, with the aim that people get to know each other and exchange views on what they are promoting, to establish and strengthen relationship and trust among organizers of SBF.

b- If possible, relate previously held initiatives within the community, gathering artisans and small enterprises, able to bring products that satisfy basic needs of producers, so that a barter club could start working permanently after the event.

c- Basic requirements for organizing SBF:

- \* Adequate space to accommodate Eco-Bank and SBF; 1 booth for the Eco-Bank
- \* 1 large table with a drawer and security keys for the Eco-Bank
- \* 3 chairs
- \* 1 counter to attend participants of the Barter Fair
- \* 10 tables for the Barter Fair
- \* 20 chairs for the Barter Fair
- \* 3 notebooks for the control of the backing, distribution of social money units and a visitors' book, where participants register and leave impressions at the end
- \* 5 ball-point pens
- \* 5 felt pens of different colors
- \* 2 rolls of non-transparent Scotch tape, or small tags (to put prices of goods in the reserve)
- \* 1 banner – Eco-Bank: *"Leave your product, take your social money, help your community"*
- \* 1 band – SOLIDARITY BARTER FAIR – WELCOME

d- 100 Basic Baskets <sup>(\*)</sup> equivalent (in non perishable food) coming from private or public donation for the security of the backing of Eco-bank and payment in social money for collaborators of the Solidarity Barter Fair.

- \* 1,000 forms of evaluation questionnaire about the event and specially the SBF
- \* 500-1000 specialized booklets, on how to organize a Barter Fair or SBF

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<sup>(\*)</sup> This strategy was mainly adopted in Brazil, due to the close relationship between the Ministries of Labour and Agriculture, who made available a small portion of the production of basic food coming from its Family Small Farms Program, to promote "social money" fairs in the monthly events of Solidarity Economy ([www.sies.mte.gov.br](http://www.sies.mte.gov.br)). The amount of participants in these events that take place in the 27 states of the Union, is quite high and still growing and the government affords the "payment" for the preparing and running activities with this production bought from small farmers. One hundred "Basic Baskets" is equivalent to ca. US\$ 2,500; this amount is not used in every fair, but is generally used in several events.

\* 1,000 – 2,000 fliers to be distributed and informing how to join Solidarity Barter Fair – SBF: this is also a proper means to ask people to bring nonperishable food in order to join the event.

\* At least 10.000 bills of different models and with the numbering of the series:

Social Money unit \$ 0.50 – 1,000 tickets with series numbers 0001 to 1000

SM \$ 1.00 – 5,000 tickets with series numbers 0001 to 5000

SM \$ 2.00 – 2,000 tickets with series numbers 0001 to 2000

SM \$ 5.00 – 2,000 tickets with series numbers 0001 to 2000

### **SPREADING SOLIDARITY BARTER FAIRS IN LOCAL, CULTURAL EVENTS**

In case local markets or fairs dedicated to trade production or even cultural events already exist, make sure that a careful explanation should be done in order to make the diffusion of materials, such as pamphlets or fliers, that clearly indicate what, where and when SBF will take place. It must be clear that SBF will take place as part of the main event, aiming at promoting synergy and building new relationship among neighbors and local actors. Many initiatives dealing with local, sustainable development are very favorable to include SBF as part of its strategies.

### **SECOND STAGE – DURING THE FAIR**

The entire Promoter Group must be present at the Barter Solidarity Fair in order to start the activities. It should be carefully checked out if distribution and circulation of social money units is working properly, as well as both the in and outflow of social money units are registered in the control book of the Eco-Bank. Activities should carefully be distributed among members of the Promoter Group and then launch the Solidarity Barter Fair. A permanent monitoring and eventual substitution of people in charge of tasks should be part of a good plan...

### **THIRD STAGE – FINISHING THE EVENT**

The Promoter Group should submit to all participants of the SBF a questionnaire to evaluate the event in all details: efficiency of exchanges, quality and variety of goods, transparency of mechanisms on the Eco-Bank, eventual interest in replicating the initiative, etc.

It is important that all members of the Promoter Group should work together in the final process of clearing at the Eco-bank. In case many people accumulate too many social money units and want to change it at the same time, the following procedure can be adopted:

- Three or four queues should be made and each person should have the option to exchange up to 10 social money units (or any other number defined by Promoter Group as a “fair” one, so that all members could access the “best” produces remaining at the Eco-Bank)
- If they still have extra units, then they will go back to the queue and change again, until they

exchange all of them.

After the event, both the questionnaires and the specific remarks of all members of the Promoter Group might be carefully analyzed, in order to LEARN from every single experience. We recommend sharing a complete report of each event with other interested groups of affinity and shared strategies, so that both can learn from every event, before launching the next one. We do not recommend sharing detailed information using e-lists, where “general” opinions are often abundant, but interests and assessment groundings being quite different, may not be very useful to move forward.

**JUST MAKE IT HAPPEN. IF YOU DON'T FEEL CONFIDENTE, ASK PEOPLE WITH EXPERIENCE WHATEVER YOUR MAY NEED. WRITE DOWN YOUR EXPERIENCE: IT WILL BE CERTAINLY USEFUL FOR THOSE WHO HAVEN'T BEEN STILL MOTIVATED...**

### **III. HOW TO GO BEYOND IT AND ACCEPT NEW CHALLENGES**

Creating a permanent Barter Club in your district

**15. If the experience succeeds and we want to organize a barter club group, is it possible to do it on our own?**

We are absolutely sure that this is possible: this is what the experience in Argentina shows us. In that country, the first Barter Club was born in Bernal, Province of Buenos Aires, on May 1st, 1995, with approximately 20 people bartering, among them, different commodities and services: food, clothes, handicrafts, eye doctors, house repairs. As the time passed by, the “voucher,” “bonds” or “credits” were introduced, to facilitate the operation among different groups, or members of different Club groups. According to them, more than 10.000 groups came to existence all over the country, in 16 provinces, as part of RTS(Solidarity Barter Network). It is estimated that there were more than 2 million active members who went to more than one fair weekly, with an impact on their lives which were equivalents up to 10 monthly minimum wages! *Commodities, services and knowledge* which were exchanged were vegetables, fruits, meat, eggs, non-industrialized foods, home-made foods, clothes, handicrafts, different home services, medical services, tourism, gardening, horoscope, tarot, clinical analyses, traditional therapies, homeopathy therapy, etc...

**16. Why are members of the clubs/networks called as prosumers?**

Precisely, because everybody is both a producer and a consumer. The word was borrowed from

Alvin Tofler's "Third Wave" book. In solidarity barter networks it is by definition impossible for you to only produce without consuming, because "papers" would be accumulated which would be worthless at other exchange spaces. It is not possible only to consume without producing, because such a person would have access to these commodities and services which are only "exchanged" in social money and cannot be obtained in cash. However, there are sometimes members who accumulate a certain amount of credits because they need to make transactions with high prices in social money, such as treatments with dentists and house reform, plastering, painting, plundering, etc., and to do so, they have to accumulate such an amount, if the professional does not know the Network, he/she does not have the trust on the person and he/she does not accept weekly payments.

As far as possible, promoters must explain that the "redistributive" mechanism of a solidarity network must imply that some prices should be "corrected" downward (jobs by professionals and employees, for example), while others should be slightly increased in its value in social money (such as jobs whose intakes imply in high cost in cash, whose labor in the market is very little evaluated and whose producers are in a prolonged unemployment, for instance).

### **17. How can we start a barter group or club with social money?**

In our experience, the best results are produced when they start from a group of some 20 people at least. It is better if they are 30, but if they are 50 or more, it is necessary to have many good group dynamics techniques, or they need to deal with a group which has been already organized previously by a common topic, either economic one or other one. Anyway, even a small group should be managed by a small group of 2-5 leaders well identified by their names (nicknames), so that responsibilities should be clear and their enthusiasm can be shared with others. At anytime, they must make very clear that this task is *rotated* and that they have no interest at all in keeping it but on the contrary: for the growth of the network, the system must be multiplied easily.

One of the conditions to create participatory groups of high growth is that leaders show that they are creating successors since the beginning of the process. It is also due to this that the coordination tasks should *always* be rewarded in social money: so that others can long for forming new nodes, networks or clubs, according to what they want to call them. The promoting group must hold meetings for reading of available materials, to clear doubts and adapt the experience to the local conditions and also it is recommendable that they should be in touch with groups or people who have more experience.

For this purpose, we have an open line at the address [info@redlases.org.ar](mailto:info@redlases.org.ar) and also you can contact us from the website [www.redlases.org.ar](http://www.redlases.org.ar) (in Spanish or English), where the training team

gives advices to groups which ask for help, through the agreement of any form of retribution, as indicates the 13<sup>th</sup> principle that we added to the original ones.

Another secret on the training of successors is warranted by the management method: *transparent and creator of equality*, with the freedom to do it with the performing group's own style... There is nothing written about the best way to do things, nor practices which cannot be changed. Life is motion...

#### **18. Should the Promoting Group “Practice” before organizing the fair with guests?**

Definitively, yes! There is no doubt at all the fair must be only organized when the Promoting Group (GP) can already clear their doubts from their own experience.

For this purpose, we suggest you, as a good alternative, to do, every time the GP is ready to launch the Network, the same play that we suggest you to do every time the fair is held, even though the group is already very numerous.

What can be done in these cases is to split the group in smaller groups so that everybody can talk, but in our experience it is necessary to cling so that all the participants do it at least once a month, when the fair is already held every week. When this practice is implemented since its beginning, it is possible to make it as part of the group; otherwise, people find it “unnecessary” and end up with dealing with the barter network as “remedy” for the poverty and the unemployment and not as “way to invent new social relations”! So simple as it is. On the other side, the “game” is not for the game’s sake, but is repetitive and has rules. It is in order to improve and attain perfection in the results!

We call this “game” REINVENTING THE MARKET and it is also known as “the five columns game” because it uses five indicators about the participants, who reveal the potential market that is being created when we count on this information. We insist: although it may seem useless and repetitive, it is fundamental to do so every time since its beginning. Of course, every day, every person can show a new aspect of their life as “producer” or “consumer,” can exchange their personal “marketing” or of their commodities and services.

In groups of 50 to 70 people, this stage can last about 90 minutes (you need to stimulate them so that people do not get bored...) and in a bit more than 60 minutes when you hold a fair, which shows the importance of the aspects of relations between people at the barter network.

The game of REINVENTIG THE MARKET consists in, one by one, every participant announces, on the order in which they are seated, the following indices:

**1. Name and telephone/address**

This information allows to create trusted relationship in the group, by exposing everybody's identity, equally, on top of enabling a contact later to make transactions and to make a general catalog. Anyway, it is important to recognize that most operations are done from the personal relationship and not from the pure information of the catalogs.

**2. Main activity**

that he/she develop or developed at the formal market, both at the production and the service field and that he/she is ready to offer at the network. This information allows that others can learn which kinds of commodities/services they will find, so that they can tell him/her that they are willing to consume.

**3. Knowledge that he/she can teach**, occasionally, to members of the network, without, necessarily, trying to charge for this service, or doing it regularly. This activity contributes enormously so that they can discover how they can be useful for others.

**4. Commodities and services that they get or got before without money; satisfied needs without money in their life experience.**

When we deal with someone who joins for the first time, obviously he/she will have no experience at all at the barter network, but even so it is important that the person tries to find, in his past experiences, how many "barterers" he/she has already done without money, to verify in which degree this experience was always present. For example, children exchange toys, adolescents' clothes; fathers frequently share the transportation of their children for school... For the first time, participants who are already visiting the network frequently tell carefully what they are getting from the Barter Network, in order to show different possibilities (maybe not visible ones at first), they can refer to the change of their habit on the consumption and saving of the official money that they get, by the fact that now they do not use the official money that they consumed before from the formal market.

**5. Commodities, services or rare goods which people want to find but do not find: unsatisfied demands today.**

This is an opportunity that other people notice that they are "potential" providers of other members of the group, either because they produce what others need or because they can start doing so in a short run, as proven by the capacity to develop new skills. In the friendly atmosphere of the game, it is useful and revealing to ask participants to be attentive to everybody's speech and to raise their hands, every time they listen to items 2 and 3, thus showing that he/she would be potentially interested in consuming such offers, at the same time

that you ask them if they can produce what is asked at the item 5.

With this very simple practice, frequently, people start to trade immediately or, at least the potential market is concretely visualized in this moment: this is, then, a way to “reshuffle the market.” **IT IS VERY IMPORTANT TO PLAY THE GAME EVEN THOUGH IT MAY SEEM REPETITIVE AND USELESS:** everybody can change his/her offer and demand!

When the fair is already running, it is important to meet regularly, **EVERY WEEK**, although there are few people, so that the fair should be identified as a space to be held regularly: Otherwise there will never be the effect of **ALTERNATIVE MARKET!** It is also important to have the engagement that nobody will leave before THREE MONTHS of experiences, so that each one should have the opportunity to try out themselves as *prosumer* (producer/consumer) with a new attitude!

In our experience, it was useful for the growth of the groups to include some **recreative activity, either amusing or mystical**, according with the identity of the group, and to do it at every session, in order not to reduce the activity to a “jobless people’s supermarket”, as a student of the Program of Permanent Training defined.

It is also important that the **venue** should be attractive, comfortable and clean, so that it should be pleasant to go back next week, although it is not luxurious. *It is necessary to remember that the goal of the social money as a tool of the Solidarity Economy, is not to fight against the poverty, but to distribute the wealth, which is abundant although we haven't seen it yet...*

If these conditions are observed, if the Promoting Group should permanently inform on what is happening in other parts of the country or the region, for it gives incentives so that new participants should be incorporated with the purpose to be entrepreneurs, at the same time that they make the network grow, in little time everybody will feel identified as protagonists of a bigger social proposal of the construction of “possible another world” of which we talk very much, and not only an attitude to give palliatives to their personal situation. On the other hand, if the perspective of construction in the middle run of the promoting group, participants are limited to barter” and do their own...

#### **19 – How is the first demonstration Fair launched with the guests?**

This event should be prepared very carefully, with the invitation for each invited group. As always, there is more than one way to do things and the creativity of each Promoting Group and the history of each place is worth. Anyway, in the invitation (written one or not), participants must be asked to bring a certain amount of commodities for exchange, even though they may be basic foods to be taken from home, although they may offer services. This will allow them to practice this activity which is very diverse among other forms of exchange to which we are used.

The place must be prepared as for a party, an agreement on a certain "minimum average price" of commodities and services is made so that people bring what must not exceed to a certain amount that everybody can stand, for example, the equivalent of minimum 20 and maximum 50 "liters of milk." This price should be adjusted at each case. For the occasion, "barter vouchers" should be ready, whose name is previously chosen by the Promoting Group ("credits", "talents", "bonds", "palmares", etc.

A reasonable amount is three time the maximum number of members at the beginning of the process. On the other hand, if the local monetary unity is Real, as it is in Brazil, it is good to use it as an equivalent to avoid people's confusion with the price manipulation. It is more complicated to look for intermediary prices, such as the price of labor hour according to the determined index, because, finally, this will be converted into a formal currency.

*We prefer showing the difference of the social money with the official one in the practice, before the theory.*

What is the most important is to decide how much will be distributed per person, making that each one should sign a simple document, in order to create trust and transparency, where people are complied with repaying the vouchers on withdrawing from the Network, for which, should they have spent, they must produce something new or exchange it in the Network to get a new quantity of social money.

For example: We invite 30 people and calculate in 50 units(equivalents to 50 Reals) to the necessary quantity to set up a good amount of social money to allow operations that make a difference in the conditions of a family. We start the first fair with 20 units of social money, that we will call Talents, in this case. We imagine that the maximum quantity per member will be 50 Talents that, transformed in formal currency, they would buy 50 liters of milk, in case a liter of milk is estimated as 1 Real.

In the first fair, everyone should bring the equivalent in products to some 20-30 liters of milk to exchange and be prepared so that trades should not stop on this day. Probably some commodities will remain unexchanged, since they will be brought back for the next fair or for the delivery out of the fair, if participants agree among themselves.

To confirm that we are doing well, we would have to have always the same amount of social money with ourselves, soon after exchanges are done; or less, because it would mean that we consume from others, who in this moment would have our vouchers. In exchange, with this system we never "envy" ourselves, but that by small amounts that we have in mind... and we own it by the trust that we have.

At the beginning of the fair, each participant should compromise whether he/she will stay at the group or repay the same amount of commodities which are necessary in this group for those values that he/she received in Talent. If he/she withdraws temporarily and comes back,

he/she will not receive again, because "his/her" Talents are already circulating in the Network.

## **20. How can we calculate how much bills of how much face value should be printed?**

As we had started with this example, on supposing that 1 Real is the price of a liter of milk and that we should 'fabricate' our Talent equivalent to Real, then 1 Talent will be exchanged for the equivalent to 1 liter of milk in any commodity. WE RECOMMEND FIRMLY THE 1:1 PARITY BETWEEN THE SOCIAL MONEY AND THE OFFICIAL CURRENCY: in the practice, it was the system which worked best so that people should not have to make calculations and also so that in the future there should be a dialog between these two currencies...

Now, if we estimate that 50 Reais are enough to start trades at monthly family accountings, and if our group is complied with producing at least 50 Reais to exchange at the solidarity fair, we can give 20 Talents in the first fair and later add 10 Talents every two weeks until they reach 50 Talents, or, 1,500 Talents. On the other hand, as we estimate that the maximum number for the first group should be 100 people, we will need to produce the total amount of 5,000 Talents, i.e.  $100 \times 50$ .

The values of the bills and their designs should be the result of the collective creation, and that is why this booklet contains different examples of what has been made in São Paulo, Rio de Janeiro, Florianópolis, Santiago(Chile), Valparaíso(Chile), Catamarca(Argentina) and Bogotá(Colombia). But it is useful that there should a huge amount of coins(0.25, 0.50 and 1) and bills(2, 5, 10 e 20) of small value in each country, so that the accounting should be easy and that people should not have the possibility to get confused with new calculations.

*Let's remember that we are already asking you the "magic" to believe that this abundant role which is quite similar to the "toy money" should be seen as legal currency, and this is not few... in the first fairs!*

So, the 5,000(five thousand) Talents of the first issue of our Eco Bank will be formed by:  
100 bills of 10 T(1,000 T) + 400 bills of 5 T(2,000 T) + 500 bills of 2 T(1,000 T) + 500 bills of 1 T(500 T) + 500 bills of 0.50 T(250 T) + 1,000 bills of 0.25 T(250 T).

## **SUM ALL THIS UP AND YOU WILL HAVE THE 5,000 TALENTS!**

Each participant would receive, in this case, his/her 50 Talents, so distributed:

1 bill of 10 T + 4 bills of 5 T + 5 bills of 2 T + 5 bills of 1 T + 5 bills of 0.50 T + 10 bills of 0.25 T!

## **21. What is the backing of the social money units (talents, bonds or credits)?**

One of the characteristics of the social money is, precisely, its social character: *it is created, distributed and managed with transparency and equity by its own users who use it for exchanges within the closed circle where people produce and consume, in situations of certain equilibrium, that is, without accumulating money.*

Despite that the collateral in gold of the official currency ceased to exist in 1971, the social money may have the collateral in the Eco-bank of its own group by way of the deposit of users' commodities. In other words, the same mechanism which has been explained for the MTS is done and the non-perishable material is left deposited in the Eco-bank, should there be place for this. On top of that, it is possible to set up a reserve in basic basket commodities so that each issued social money unit should have its backing in basic basket commodities in the Eco-bank.

## **22. How is it possible to promote the continuity of people's participation in barter clubs?**

This is a very important aspect: a considerable time should be taken to discuss with the participants of the Promoting Group, so that EVERYBODY should be a true godfather of the initiative, so that everybody should feel equally responsible for the success and of the failure of the enterprise "barter club." A way to get this result was to hold small evaluation meetings after the Fairs and discussion groups on different topics, according to the interest of the group, among which was found that of a "Charter of Principles" or the organization, although it is informal. In the name of the inspiring example, we transcribe the charter of 13 principles adopted by one of the networks in Argentina, so that it should be used as a departing or arriving point...

### **DECLARATION OF PRINCIPLES OF THE SOLIDARITY BARTER NETWORK**

1. Our fulfillment as human beings need not be conditioned by money.
2. We aim not to promote products or services, but our mutual help in accomplishing a better way of life, through work, solidarity and fair trade.
3. We believe in the possibility of replacing competition, profit and speculation by reciprocity among people.
4. We assume that our actions, products and services may respond to ethical and ecological standards more than to the will of the market, the consumerism and short term profit.
5. The only conditions to be a member of a Solidarity Barter Network are to attend the weekly group meetings, being trained to be producer and consumer of goods, services and knowledge, in the standards adopted by each group and practice permanently quality control and mutual help.
6. We assume that every member is the only responsible for her/his actions, goods or services bartered in the Network.
7. We believe that belonging to a group means no relationship of dependence, since individual participation is free and common to every member of the Network.
8. We claim that groups are not necessarily due to be formally organized, in a permanent

way, since the network model implies permanent change of roles and functions.

9. We believe that it is possible to combine the autonomy of groups (Clubs or Nodes), in the management of internal affairs with all the principles of the Network.
10. We recommend that members should not finance or support, as members of the Network, to any cause irrelevant to it, without the previous consultation to its members, so that we should not get away from the fundamental objectives that tie us up.
11. We believe that our best example is our behavior in and out of the Network. We keep confidentiality about our private lives and prudence in the public treatment of those matters that might alter the growth of the Network.
12. We deeply believe in an idea of progress as a consequence of a sustainable welfare of the great majority of people of all societies.
13. In Solidarity Economy, nothing is lost, nothing is given for free; everything is valorized, everything is recycled, all the common wealth and profit is distributed equally.

### **23. Is it possible to change our mindset and act in the Economy only from the fairs?**

In our understanding, fairs are necessary, but not enough to build new social relation and that of production, because the dominant economic model is very strong and is mixed with out most elementary practices: almost always we learn to compete and not to cooperate, we tend to maximize our profit and save for the future.

As a sustainability proposal, we have the Economic Literacy Program, with which we are developing the training of a body of Solidarity Economy Promoters in Latin America, to promote this paradigm shift. The Program has two axes:

- to improve the negotiation strategies within the groups,
- to build new enterprising profiles.

### **24. Where do the contents of the Economic Literacy Program come from?**

We begin with two very different theoretical positions: that of the already-mentioned Belgian economist, Bernard Lietaer, who considers that we live unconsciously in the paradigm of scarcity, when we would be able to live in the paradigm of affluence! For him, the appropriate definition of the Economy as science, which studies the management of scarcity of resources for always growing demands, predetermines this vision. This "original sin" is completed later with an erroneous comprehension of the social phenomenon of the money, managed to concentrate the wealth without distributing it. The another contribution comes from the Brazilian sociologist Waldemar De Gregori, author of the "Triadic Theory of the Power", who defines the power as an inherent power of the human being. It would be useless to try to get out of the meshes of the net... of the power! Will it be so? Will a change be possible? Will it be really necessary to spend so much energy in the groups with this game that seems endless?

We would like to show you here a distinct explanation and a simple technique, with which we work at the Solidarity Barter Network. We had good results, that bring us to a better life quality within and out of the network, on top of the energy economy, which allows us to have fun and make others have fun! For this author, the power is a game of three subgroups, in constant motion, and it is possible to observe it, change it and lead it!

The subgroup which holds the power in any moment of the “game” is called as **official subgroup** and, obviously, tries to keep its grip on the power (of course, if it is convenient for him/her) as much as possible, uses the whole tools at its disposal, establishes norms, changes norms, “buy ballots,” etc...

Unfortunately for it, there are always some components who oppose and try to oust them out of the power; they are called **antiofficial subgroup**: it is enough for somebody to find a simple and nice idea so that somebody else believes... exactly the opposite!

In this way the game “I don’t agree!” is formulated, expressed in a number of ways. This is the symptom of the appearance of the power game! If you do not believe, try to prove it with yourself and observe how long time passes before the expression appears in your mind when somebody begins talking.

But not everything is lost, precisely, because there is still the third part of the game, the **swinging subgroup**, who helps to exchange the position from one side to the another! It is also known as available, because it is ready to negotiate, to “have the cool head” and to make calculations to see whom it support... like the silent majority who determines the elections.

## 25. How is this theory put into practice at Barter Clubs?

Within this framework, in the management of barter clubs we adopted a technique called Explicit Group Dynamics, which consists of dividing the tasks on leading the group in small and well-defined ones, which are negotiated for relatively short periods with each participant and that go changing permanently, looking for the self-management. Then comes up somebody's role who stimulates, who controls, who sings or who tells jokes. All roles are necessary for the growth of such a complex group like any other human group! When this is a regular practice, the result is a process of self-management, at the same time as learning how to teach it.

*All we have to do is to find out how to do so that people join. And this is the task of each promoting group!*

In weekly fairs, since a shared coordination, the minimum roles should consist of:  
facilitator who gives words and leads the meeting as “master of house”,  
receptionist who receives and directs people, new ones and “old ones”,

timekeeper who takes care of the duration of time so that the activity finish in time, secretary who takes notes on the names, phone numbers and offers so that lists can be made afterwards,

quality and price inspector who feeds information and suggests modifications, to promote quality and solidarity, permanently,

triadic game detector who observes the group so that participants should start understanding the power as a game and

EPS who shows and “rewards” outstanding behaviors in the *enterprising, political and solidarity* skill.

You can add anything which might come up as necessary, according to the group.

#### **And what does this practice have to do with the power game?**

The real division of power is practiced in the simple fact to take on and respect the *officiality* to be endowed to each one, for a short period of time, so that each participant should exercise their role, on their way, with the perfect decision-making POWER on its way and contents. On accepting the *anti-officiality* which appears in the form of suggestion or proposal and not of “receipt” or “order from above,” of how to improve the things for the growth of the group, as people and as social enterprise.

**JUST TRY IT... AND THEN TELL YOUR RESULTS!**

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**Text not yet revised from here on...**

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#### **26. How is it possible to develop the enterprising skill of those who have been always employed in the formal market?**

As tendências atuais de grande parte dos planos de governo são os programas dedicados a promover pequenas e médias empresas e também o setor microempresário, que é o nome delicado com que se denomina, atualmente, às massas crescentes de “desempregados para sempre”. O que nunca pudemos compreender é essa espécie de amnésia oportunista oficial que omite que, se o dinheiro escapou para o circuito financiero, de que servirá criar novos produtores se não se criam novos consumidores? Em outras palavras, a quem pensam que esses “novos produtores” vão vender se não há dinheiro circulando? Difícil de crer, mas explicável pela inércia de seguir fazendo sempre os mesmos erros...

The current tendencies of most parts of the government plan are programs to promote small and medium-size companies and also the sector of micro enterprises, and this name is currently used to the growing masses of “always-unemployed.” What we could never

understand is this sort of official and opportunist amnesia which excludes that, if money goes out for the financial market, and how can it create new producers if new consumers are not created? In other words, to whom do you think that these “new producers” will sell if there is no money in circulation? It is hard to believe, but can be explained by the inertia to go on doing the same mistakes...

Para não cairmos nas belas palavras, o segundo bloco destinado a produzir o câmbio de paradigma está inspirado na teoria do chileno Fernando Flores, que em sua obra “Abrir novos mundos: habilidade empresarial, democracia e solidariedade” propõe a criação de identidades empreendedoras que sejam ao mesmo tempo solidárias e construtoras da democracia. E a partir desta obra propomos a prática de atividades que desenvolvam nossas habilidades de:

In order to avoid getting stuck with beautiful words, the second block to produce the paradigm shift is inspired in the theory of the Chilean Fernando Flores, who in his work “To open new worlds: enterprising skill, democracy and solidarity” proposes the creation of enterprising identities which are at the same time solidarity-based and builders of democracy. And from this work we propose the practice of activities which develop our skills of:

**sermos solidários:** *ela é expressada, nos clubes de trocas, como a não acumulação de moeda social, porque isto equivale a consumir tanto quanto produzirmos para a rede;*

**that we are united in solidarity:** this is expressed, in barter clubs, as a non-accumulation of social money, because it is equivalent to consume as much as they produce for the network;

**sermos empreendedores:** *na medida que nos preocupamoos em produzir com eficiência social, isto é, produzir com o menor custo e maior qualidade, tomando o máximo de insumos da Rede;*

**that we are entrepreneurs:** insofar as we are worried about producing with social efficiency, that means, to produce with less cost and more quality, trying to buy as much as possible from the Network;

**sermos políticos**, isto é, sermos responsáveis pelo bem comum, no sentido de assumir cada vez mais papéis para o crescimento da Rede, a difusão do sistema, a negociação de espaços na imprensa, melhores espaços para as feiras, novos sócios com novos produtos, novas alianças com outros setores sociais, etc.

**that we are politicians**, this means, we should be responsible for the commons, in the sense to take more and more roles for the growth of the Network, the diffusion of the system,

the negotiation space in the press, better space for fairs, new members with new products, new alliances with other social sectors, etc.

*O programa de Alfabetização Econômica vem sendo implantado com um impacto significativo, mostrando-se capaz de articular-se com outras formas de economia solidária, como é o caso do microcrédito, que permite a seus usuários ter acesso a uma mínima quantidade de recursos em moeda do sistema formal, iniciar-se na produção e logo ter acesso ao mercado cativo das Redes de Troca, que lhes prove o que o mercado formal lhes nega: clientes prosumidores, aos quais lhe comprarão por sua vez, evitando a concentração do eventual “excedente” em moeda social.*

The Economic Literacy Program has been implanted with a significant impact, showing that it is capable of getting articulated with other forms of solidarity economy, as is the case of microcredit, which allows its users to have access to the minimum amount of resources in cash of the formal system, started in the production and later have access to the captive market of the Barter Network, which allows them to what is turned down to them in the formal market: prosumer customers, from whom they will buy, avoiding the concentration of the eventual “exceeding one” in the social money.

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#### **COMO FORMAR PARTE DE UMA COMUNIDADE MAIOR**

#### **HOW TO BE PARTE OF A BIGGER COMMUNITY**

*Conhecer e articular-se com outras experiências*

**Learn and keep in touch with other experiences**

#### **27. O que aconteceu com as redes de troca na Argentina?**

**27. What happened in the barter networks in Argentina?**

*Depois de haver atingido o auge de seis milhões de pessoas envolvidas nos clubes de troca, houve processos que afetaram drasticamente o conjunto de grupos, em todas as regiões do país. Praticamente, sobreviveram inalterado só aqueles grupos que eram independentes e não aceitavam moedas sociais de outros grupos. Mas mesmo assim, a frequência de visitantes caiu dramaticamente, já que a perda fundamental da confiança foi profundamente lesionada. Hoje fala-se de umas 100.000 pessoas em todo o país e somente uma rede com mais de 20.000 sócios: Club del Trueque Zona Oeste da Grande Buenos Aires.*

After having attained the climax of 6 million people involved with barter clubs, there were processes which affected drastically the whole groups, in all the regions of the country. Practically, the unchanged survivors were only those groups which were independent without accepting social money of other groups. But even so, visitors' frequency dropped dramatically, as the fundamental loss of trust was deeply harmful. Today it is estimated that there are some 100,000 people all over the country and only a network with more than 20,000 members: Club del Trueque Zona Oeste(Western Zone Barter Club) of greater Buenos Aires.

*Ocorreram três fatos que mudaram o curso dos acontecimentos:*

Three facts happened which changed the direction of the events:

1. *Houve sobre-emissão de moedas sociais(?) por parte de um grupo que se transformou em titulares do “Banco Central”; depois outros copiaram o modelo...*

There were over-emission of social money(?) by the side of a group which turned into the title-holders of the “Central Bank”; later others copied this model...

2. *Começou a haver “venda” das moedas sociais, por um valor significativamente menor que aquilo que podia ser adquirido com as mesmas; en consequência, quem “comprava” moedas, enganava a quem entregava produtos...*

The “sale” of social money started, at a significantly lower price than what they can get with this money; as a consequence, who “bought” money cheated whom submitted produces...

3. *Houve falsificação masiva das moedas em todo o país e com isso uma hiperliquidez que provocou uma enorme inflação e distorsão nos preços entre regiões.*

There were a massive falsification of money all over the country with hyper liquidity which triggered an enormous inflation and distortion at prices among regions.

*Uma evidência desses fatos é que hoje em dia nos clubes onde essas práticas não tinham chegado, a relação moeda oficial : moeda social continua sendo aproximadamente 1:1, enquanto naqueles onde houve “hiperliquidez”(excesso de circulante) e inflação, a paridade chegou 1:1000!*

A proof of these facts is that nowadays in clubs which such practices had not reached, the relation between the official currency and social money remains to be approximately 1:1, while in others with “hyper liquidity”(excess of the circulating money) and inflation, the rate fell down to 1:1000!

*O que falhou? Sem nenhuma dúvida, a parte política do projeto: não houve autogestão; a informação, os cargos e os lucros se concentraram em poucos que aproveitavam o trabalho de muitos, sendo que a grande maioria dos membros dos clubes de troca somente participava em "comprar ou vender" e ignorava os assuntos coletivos.*

What went wrong? Without doubt, the political side of the project: there was no self-management; the information, charges and profits were concentrated in few who took advantage of many people's work while the vast majority of barter club members joined only in "buying and selling" without knowing the collective affairs.

*Por isso, analisando as experiências que permaneceram, vimos que as respostas deviam incluir necessariamente: MAIS ENVOLVIMENTO, MAIS CONHECIMENTO, MAIOR TRANSPARÊNCIA NA GESTÃO!*

So, analyzing the ongoing experiences, we saw that the answers should include necessarily: MORE INVOLVEMENT, MORE KNOWLEDGE, MORE TRANSPARENCY IN THE MANAGEMENT!

*Em outras palavras, mais DEMOCRACIA PARTICIPATIVA,*

In other words, more PARTICIPATORY DEMOCRACY,

*mais DEMOCRACIA!*

more DEMOCRACY!

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**28. Qual foi a resposta dos grupos à crise das redes de trocas e à crise do país?**

**28. What was the answer of the groups at the crisis of the barter networks and at the national crisis?**

*Cada país tem suas formas próprias de resposta às crises. No caso da Argentina, houve vários tipos de resposta, ora mais políticas, ora mais econômicas, de todos os setores da sociedade: "piqueteros" que cortavam os caminhos, "poupadões" defraudados com os bancos, empregados de fábricas quebradas que se organizaram para "recuperá-las", assembleias de bairro por quarteirões.. Durante dois anos a sociedade que parecia haver explodido se organizou e hoje retomou seu ritmo de crescimento "desejável"... ao menos para os organismos de crédito internacional! Como no Brasil, pagou-se uma parte significativa da dívida externa*

*anticipadamente. À diferença do Brasil, fechou-se o escritório do Fundo Monetário Internacional em Buenos Aires. É possível que a velocidade de crescimento da indigência e da pobreza tenha baixado, mas ainda vemos demasiadas pessoas dormindo nas ruas da Capital, demasiadas crianças limpando parabrisas e abrindo portas de automóveis, para acreditar que as cifras oficiais revelam a verdade mais profunda da dívida interna...*

Each country has its own ways to react to the crises. In Argentina's case, there were many kinds of reply, either more political or economic ones, of all the sectors of the society: "piqueteros" who shut down the roads, "savers" who are betrayed by the banks, bankrupted factories' workers who were organized to "retrieve them," district assemblies by each block... During two years the society which seemed to be burst out was organized and now it regained its "desirable" growth rate... at least for international credit organizations! Like Brazil, a significant part of the external debt was repaid in advance. Unlike Brazil, the office of the International Monetary Fund in Buenos Aires was closed. It is possible that the growth rate of (extreme) poverty should have dropped, but still today we see too many people who sleep in the street in the Capital, too many children who clean windshields and open cars' doors, to believe that the official figures reveal the deepest truth of the internal debt...

Por isso, tendo em conta que a solução parece passar mais por RADICALIZAR a democracia que por decisões externas, insistimos no lançamento de um projeto em escala latinoamericana. Em junho de 2003, lançamos o Projeto COLIBRI, de formação de promotores do desenvolvimento local integral e sustentável, com o objetivo de formar uma rede de 3000 agentes multiplicadores na América Latina.

That is why, taking into account that the solution seem to be rather by RADICALIZING the democracy than by external decisions, we made our mind to set up a project in the Latin American scale. In June 2003, we launched the COLIBRI project, for the training of promoters of integrated and sustainable local development, with the goal to set up a network of 3,000 multiplying agents in Latin America.

**29. *Em que consiste esse Projeto e qual o papel da moeda social?***

**29. *Of which does this Project consist and what is the role of the social money?***

*O Projeto COLIBRI tem várias dimensões, sendo a primeira delas pôr à prova a própria idéia de que a moeda social é um instrumento de radicalização da democracia, como foi em seu momento mais visível o orçamento participativo de Porto Alegre. Para isso, fez uma análise*

*dos êxitos e fracassos de diferentes iniciativas das gestões democráticas deste continente e também de iniciativas das finanças solidárias que tiveram origem na Ásia, como os Bancos Populares de Microcrédito, no modelo Grameen Bank. Assim, com base nessas três iniciativas próprias das economias populares e da construção de cidadania que são o microcrédito, o orçamento participativo e os clubes de troca em rede, foi concebido um projeto onde o eixo se deslocava do desemprego e do alívio à pobreza, ao empreendedorismo social e à distribuição do poder para redistribuir a riqueza...*

The COLIBRI project has different dimensions, being the first of the to test the very idea that the social money is an instrument for the radicalization of the democracy, as was at its most visible moment the participatory budget at Porto Alegre. For this purpose, an analysis was done on the successes and failures of different initiatives of the democratic managements from this continent and also from solidarity finance initiatives which had the origin in Asia, such as People's Microcredit Banks, in the Grameen Bank model. So, based on these three own initiatives of people's economy and of the construction of the citizenship which are the microcredit, the participatory budget and barter clubs in network, a project was conceived where the was shifted from the unemployment and the relief to the poverty to the social entrepreneurship and to the distribution of the power to redistribute the wealth...

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*A moeda social converte-se, então, numa inovação rupturista da própria ordem financeira do capitalismo globalizado: produtores e consumidores se aliam para independizar-se da escassez de moeda, gerenciando além disso o crédito e a incidência na política pública voltada ao desenvolvimento local. As quatro etapas de desenvolvimento do Projeto (que poderão ser aprofundadas em [www.redlases.org.ar/HTML/COLIBRI.htm](http://www.redlases.org.ar/HTML/COLIBRI.htm) ) são:*

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The social money turns into, then, a rupturing innovation of the very financial order of the globalized capitalism: producers and consumers are allied to be independent from the scarcity of money, managing on top of that the credit and the incidence in the public policy which comes back to the local development. The four stages of the Project (that will be further narrated at [www.redlases.org.ar/HTML/COLIBRI.htm](http://www.redlases.org.ar/HTML/COLIBRI.htm) ) are:

I. *Reativação dos recursos locais:*

Reactivation of local resources:

- II. *Sistemas Alternativos de Financiamento*  
Alternative systems of Financing
- III. *Sistemas de Intercâmbio Compensado*  
Systems of Compensated Exchange
- IV. *Gestão Associada Participativa Estado/Sociedade Civil*  
Associated Participatory Management by State/Civil Society

*A moeda social só intervém na etapa III, quando a comunidade já está comprometida com o seu próprio desenvolvimento, de modo que ela terá forçosamente legitimidade e aceitação. Esta proposta acaba de ser confirmada pelo êxito do Banco Palmas com a criação da Rede Latinoamericana de Bancos Comunitários( [www.bancopalmas.org.br](http://www.bancopalmas.org.br) ).*

The social money is only concerned with the stage III, when the community is already engaged with its own development, so that it should have legitimacy and acceptance forcibly. This proposal has just been confirmed by the success of the Banco Palmas with the creation of the Latin American Network of Communitarian Banks( [www.bancopalmas.org.br](http://www.bancopalmas.org.br) ).

**30. Quais são as principais inovações do Projeto COLIBRI?**

**30. What are the main innovations of the COLIBRI Project?**

*Acreditamos que a inovação mais importante do Projeto são as três idéias-força que lhe dão sustento e que nos permitiram produzir ferramentas que promovem a saída do paradigma da escassez e a passagem – de forma lenta e sustentada – ao paradigma da abundância. São elas:*

We believe that the most important innovation of the Project are the three key ideas that activate it and that allowed us to produce tools to promote the solution to the scarcity paradigm and the path – in a slow and sustained way – to the affluence paradigm. They are:

**\* O poder é um jogo permanente, inevitável, necessário e criativo.**

**\* The power is a permanent, unavoidable, necessary and creative game.**

**\* Os recursos do planeta são abundantes e capazes de produzir o bem viver de todos os seus habitants, em harmonia com a natureza.**

**\* The resources of the planet are abundant and capable of producing the welfare for**

**all its inhabitants, in harmony with the nature.**

**\* Tudo está relacionado com tudo: cada um de nós incide e é responsável por sua parte e também pelo tudo.**

**\* All is related with all: anyone of us create and is responsible for his/her part and also for all.**

*Se essas idéias lhe interessam, está convidado a permanecer em contato com o Projeto, já que em breve estaremos disponibilizando um sistema de aprendizado a distância, com o qual poderão conhecer as ferramentas de radicalização da democracia.*

If these ideas are interesting for you, you are invited to stay in touch with the Project, because shortly a distance learning system will be at your disposal, with which you will be able to learn the tools for the radicalization of the democracy.

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***Leia agora essa História, baseada em fatos da vida real***

**Read now this History, based on facts of the real life**

*"Dulcinéia chegou naquela cidade para acertar uma série de assuntos relacionados com sua pequena empresa e não sabia quanto tempo iria ficar por lá. Não tinha muito dinheiro e os hotéis turísticos eram caros e estavam lotados. Dirigu-se, então, a uma pousada que lhe pareceu adequada, pelo preço e localização. A proprietária, Dona Gleuza, foi muito simpática e disse que só tinha desocupado um quarto em suíte, que custava R\$ 100 a diária.*

Dulcinéia arrived at that city to arrange a series of affairs related with her small business and did not know how long she would stay there. She did not have much money and tourist hotels were expensive and reserved. So she headed for a lodge which seems adequate for her, by the price and location. The owner, Dona Gleuza, was very nice and she said that she has only one small sweet room, which was worth R\$ 100 per day.

*Dulcinéia, um pouco constrangida porque esse era quase todo o dinheiro que lhe restava, perguntou-lhe se poderia deixar os R\$100 como reserva, de tal forma que, quando ela voltasse, poderiam acontecer duas coisas: ou teria terminado de resolver seus assuntos e iria embora, ou ficaria ali aquela noite e o dinheiro serviria para pagar a diária completa. Se ela fosse embora,*

*Dona Gleuza lhe devolveria o dinheiro, caso não tivesse aparecido outro cliente. Se alguma pessoa tivesse procurado o quarto e Da. Gleuza não o tivesse alugado pela reserva de Dulcinéia, então ela perderia o dinheiro e tudo estaria bem para as duas. Ambas concordaram com o plano, Dulcinéia pagou sua reserva com uma nota de R\$ 100 e lá se foi a resolver seus assuntos...*

Dulcinéia, a bit embarrassed because it was almost all the money at her disposal, asked her if she would be allowed to leave the R\$ 100 as reserve, so that, when she comes back, two things may happen: either she would have finished resolving all her affairs and would go away, or she would stay there that tight and the money would serve to pay the whole night. In case she would go away, Dona Gleuza would pay back the money in case no other customer would have come up. If somebody would looked for this room and Da. Gleuza had not lent it due to Dulcinéia's booking, then she would lose the money and all would be good for the two. Both agreed with this plan, Dulcinéia paied her booking with the R\$ 100 bill and went to resolve her affairs...

*Dona Gleuza, quando ficou só, lembrou-se que há bem uns três meses devia essa quantia ao comadre Raimundo, pelo conserto do telhado da pousada, que o comadre fizera, sem pedir nenhum sinal nem garantia! Que tentação! Pagar o comadre Raimundo que andava tão precisado... Achou que poderia arriscar, porque, finalmente, o mais provável era que Dulcinéia ficasse por lá mesmo...*

Dona Gleuza, when left alone, remembered that it is some three months ago that she owed this money to the godfather Raimundo, by the repairing of the ceiling of the lodge, that the godfather did, asking neither deposit nor warrant! How tempting! To pay to the godfather Raimundo who is so much in need. She found it worth to run the risk, because, finally, the most likely case is that Dulcinéia would stay there...

*Entusiasmada, levou a nota brilhante a Raimundo que, nem bem pôs os dedos nela e a comadre desapareceu da frente dos seus olhos, lembrou-se que estava devendo exatamente R\$ 100 ao farmacêutico do bairro, Seu Luís, que lhe tinha fiado antibióticos e Vitamina C quando seu filho menor teve pneumonia, há um mês atrás. Orgulhoso, foi cumprir com seu compromisso de saldar a dívida o antes possível, e Seu Luis ficou realmente muito agradecido.*

Excited, she brought the bright bill to Raimundo who, even without putting his fingers on it and the godmother disappeared from his eyes, remembered that he owed exactly R\$100 to the

pharmacist of the district, Seu Luís, who had prescribed him antibody and Vitamin C when his younger son suffered from pneumonia, one month ago. Proud, he went to accomplish his promise to clear the debt as soon as possible, and Seu Luis was really grateful.

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*Quando Raimundo se retirou, Luis lembrou que, há dois meses apenas, a filha tinha precisado de um lindo vestido para a festa de seus 15 anos e Da. Eulália tinha fiado a confecção. A festa tinha sido todo um sucesso... Rapidamente, Luis pagou sua dívida e os dois ficaram muito contentes pela possibilidade de continuar fazendo negócios no futuro.*

When Raimundo went away, Luis remembered that, only two months ago, the daughter needed a beautiful suit for the party of her 15<sup>th</sup> birthday(in South America a huge party, comparable even to the wedding party, is held on a girl's 15<sup>th</sup> anniversary: translator's note) and Da. Eulália had made it. The party had been a great success... Quickly, Luis paid her debt and the two parties were satisfied by the possibility to keep businesses in the future.

*Da. Eulália, por sua vez, devia a última prestação dos materiais que tinha comprado na Ferraria de Seu Aníbal, para a reforma de sua casa: que alívio! Agora podia pagá-lo porque se não fosse por esse dinheiro recuperado inesperadamente, jamais poderia fazê-lo! Pagou-lhe e Seu Aníbla imediatamente encomendou a Seu Mário todos os materiais que estavam faltando na ferraria e armou uma liquidação de alguns produtos que ia renovar. Seu Mário, muito contente, viu a possibilidade de saldar uma dívida que tinha com a comadre Gleuza, que no verão tinha-lhe fiado a hospedagem ao convidado de honra que ele convidara para dar uma palestra na Escola de seus filhos sobre O NOVO MERCOSUL e o ALCA!*

Da. Eulália, then, owed the last payment of the materials that she had bought at the Hardware store Seu Aníbal, for the reform of her home: what a relief! Now she could pay it because she would never be able to do so were it by this money which came all of a sudden! She paid to him and soon Seu Aníbla ordered Seu Mário all the materials that were lacking at the store and set up a clearing sale of commodities that he was about to renew. Seu Mário, very satisfied, saw the possibility to clear a debt that he had with the godmother Dona Gleuza, that last summer he had asked her for a stay of a honorary guest that he had invited to give a lecture at his sons' School on THE NEW MERCOSUR(Mercado Común del Sur: an economic bloc by Argentina, Brazil, Paraguay, Uruguay and Venezuela, with Bolivia, Chile, Colombia, Ecuador and Peru as associate members: translator's note) and the NAFTA(North American Free Trade

Agreement: A free trade agreement which came into effect in 1994 between Canada, Mexico and United States, trying to incorporate more Latin American countries: translator's note)!

*Quando viu aquela nota, tão parecida a outra que saíra de suas mãos apenas duas horas antes, Da. Gleuza mal podia acreditar em seus olhos e ficou pensando como tinha sido possível a façanha! Estava nesses pensamentos quando chega Dulcinéia e lhe comunica que, felizmente, já tinha resolvido tudo e que podia tomar o ônibus das sete da tarde de volta para casa. Da. Gleuza lhe disse, então, muito tranquila: "Está tudo bem, aqui está seu dinheiro, como ficou essa manhã. Não me deve nada não..."*

When she saw this bill, so similar to another that had gone out of her hands only two hours before, Da. Gleuza could hardly believe in her eyes and was pondering on how such an incident had been possible! She was into such ideas when Dulcinéia comes back and tells that, fortunately, she had resolved all that she could take the bus at seven in the evening to go back home. Da. Gleuza told her, then, very calm: "Everything is fine, here is your money just as it was this morning. You don't owe me anything..."

*E nós que observamos a história um pouco mais de longe, começamos a compreender um pouco mais da CIRANDA DO DINHEIRO, e para que pode servir esse incrível invento social quando bem utilizado!*

And as we observe the history a bit from afar, we start to understand a bit about DANCE OF THE MONEY, and this is how this unbelievable social invention can serve when it is used well!

*E também porque alguns políticos e governantes já aceitam a moeda social como instrumento válido para combater o desemprego e a exclusão social?*

And also because some politicians and governors already accept the social money as a valid tool to tackle the unemployment and the social exclusion?

*Na verdade, essa fábula acontece todos os dias, o tempo todo, milhares de vezes, graças ao efeito mágico do dinheiro! Nossa história pode ser vista como uma reconstrução do fenômeno do crédito e mostra como o aumento de dinheiro em circulação favorece a todos porque aumenta a possibilidade de aumentar o mercado! De quem depende aproveitar a lição?*

In fact, this fable happens every day, any time, thousands of times, thanks to the magical

effect of the money! Our history can be seen as a reconstruction of the phenomenon of the credit and shows how the increase of money in circulation favors everybody because it increases the possibility to increase the market! On whom is the lesson up to?

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*Ela foi adaptada e utilizada por nós em outubro de 2002, quando participamos da implantação do Projeto FOMENTO, a primeira experiência de moeda social circulante local realizada pela parceria entre a Fundação Strohalm e o Banco Palmas. Três anos mais tarde, a moeda social “Palmas” ganhou terreno e está sendo utilizada em vários projetos que combinam o uso da moeda social com a moeda oficial, já que operam sobre o setor de Microcrédito no Conjunto Palmeira, bairro onde nasceu o Banco Palmas. Cinco anos depois do lançamento do club de trocas com a moeda Palmares e três anos depois da moeda social Palmas, os moradores podem pagar o gás, o transporte público, comprar nos comércios locais e até mesmo pagar as contas de luz e telefone, com a moeda social circulante local impressa na Argentina, pela primeira organização que compreendeu o sentido desse “banco social” popular que eram os clubes de troca!*

It was adapted and used by us in October 2002, when we took part in the implantation of the FOMENTO Project, the first experience of *locally-circulating social money* realized in partnership between the Strohalm Foundation and the Banco Palmas. Three years later, the social money “Palmas” won its acceptance and it is being used in several projects which combine the use of social money with the official currency, since they operate in the Microcredit sector at the Conjunto Palmeira, district where the Banco Palmas was born. Five years after the launching of the barter club with the currency Palmares and three years after the social money Palmas, inhabitants there can pay the gas, the public transportation, in the locally-circulating social money which was printed in Argentina, for the first organization which understood the meaning of this people's “social bank” which were the barter clubs!

*E para mostrar que a evolução dos processos sociais não têm limites mais que nossa imaginação e compromisso, temos o orgulho de contar-lhes que o Instituto Banco Palmas recebeu em 2005 o Prêmio de Inovação Social pela Fundação Banco do Brasil; estabeleceu com a SENAES um programa para a criação de uma rede de bancos comunitários no Brasil e que... há pouco mais de um mês foi criada a Rede Latinoamericana de Bancos Comunitários, que se propõe difundir a metodologia de finanças solidárias com moeda social em vários países da região!*

And to show that the evolution of the social processes have no more limits than our imagination and dedication, we are proud to tell you that the Institute Banco Palmas received in 2005 the Social Innovation Prize by the Banco do Brasil Foundation(Banco do Brasil (with s as is written in Portuguese) is the biggest commercial bank in Brazil: translator's note); it established with SENAES a program for the creation of a network of communitarian banks in Brazil and... it is a bit more than a month ago that the Latin American Network of Communitarian Banks was created, which tries to spread out the methodology of solidarity finances with social money in different countries of the region!

A few months ago, a partnership of the Banco Palmas with the Ministry for the People's Economy of the Bolivarian Republic of Venezuela and Brazil's Secretary of Solidarity Economy has been achieved.

Is it worth to learn more? [www.redlases.org.ar](http://www.redlases.org.ar) / [www.bancopalmas.com.br](http://www.bancopalmas.com.br)

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### **PARADIGMA DA ESCASSEZ / SCARCITY PARADIGM**

*Você também confunde:*

- \* *dinheiro com riqueza?*
- \* *possibilidades infinitas com ameaças à sua ordem?*
- \* *projetos com problemas?*
- \* *diferenças com conflitos?*
- \* *ter informação com saber fazer?*
- \* *sus opiniões com a verdade das coisas?*

*Tudo isso forma parte do paradigma da escassez que mora em nós...*

*Do you also mix up:*

- \* *money with wealth?*
- \* *infinite possibilities with threats to your order?*
- \* *projects with problems?*
- \* *differences with conflicts?*
- \* *to have information with to know how to do?*

\* your opinions with the truth of the things?

All this is part of the scarcity paradigm which resides in us...

As tendências atuais de grande parte dos planos de governo são os programas dedicados a promover pequenas e médias empresas e também o setor microempresário, que é o nome delicado com que se denomina, atualmente, às massas crescentes de “desempregados para sempre”. O que nunca pudemos compreender é essa espécie de amnésia oportunista oficial que omite que, se o dinheiro escapou para o circuito financiero, de que servirá criar novos produtores se não se criam novos consumidores? Em outras palavras, a quem pensam que esses “novos produtores” vão vender se não há dinheiro circulando? Difícil de crer, mas explicável pela inércia de seguir fazendo sempre os mesmos erros...