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Bypassing Globalization: Barter markets as a new indigenous economy in Peru

**ALEJANDRO
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MICHEL PIMBERT**

ABSTRACT *Many in development are disenchanted with the concept of 'sustainable development', which perpetuates the idea of infinite growth and overreliance on markets for improved well-being. Alejandro Argumedo and Michel Pimbert explore the non-monetized barter markets developed by the Quechua peoples of the Peruvian Andes. They reflect the local philosophy of social reciprocity and ecological equilibrium and can inspire others seeking to support local food sovereignty, ecological diversity and economies based on solidarity rather than greed.*

KEYWORDS *solidarity economy; barter markets; buen vivir; development; reciprocity*

Introduction

In the face of growing recognition of the impossibility of unrestricted growth and exploitation of nature, the values and practices of indigenous peoples provide alternative models of development and economic relations, where the focus is not on making a living, but on living. Even the concept of 'sustainable development' tends to be represented as 'green capitalism' and continues to promote the idea of infinite growth and overreliance on markets. According to Briton, capitalism comes to dominate all aspects of daily life, and creates 'a crass materialistic, purely external concept of life', where people are 'enslaved to a system' (Briton, 1996: 104). Capitalism's hegemony obscures alternative views of reality, including the possibility that a reduction in needs rather than abundance of possessions can also make people better off, while lack of excessive ambition and preference for sharing over competition can increase contentment (Adas, 1989: 347). For Adas, what is needed is 'development informed by different estimates ... as to what is necessary for human well-being and fulfillment, estimates shaped by historical experiences and cultural emphases that vary greatly from those of the West' (Adas, 1989: 418).

Beyond growth and sustainable development: the concept of *sumaq causay*

The economic and political context for development among the indigenous Quechua peoples of the Andes has been one of subjugation and resistance. Proposals

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for development have tended to involve technology, cash crops, wage labour and monetarization of the subsistence economy. These approaches are leading to a loss of indigenous knowledge, languages and culture and undermining economic relationships based on kinship and collective labour. However, many Quechua cultural, social and economic forms, institutions and cultural values have survived. Some were co-opted to serve colonial or post-colonial administration needs, and still exist in the Peruvian bureaucracy, both formally and informally (Nunez del Prado Castro, 1973). This article describes how these indigenous peoples have developed their own institutions, such as barter markets, to meet their needs in the context of global capitalist markets. It explores these processes and suggests that they may offer a new approach to development.

Quechua indigenous societies in the Andes have different interpretations of what is necessary for a 'good life'. *Sumaq causay* is an ancient concept from Andean cosmovision. It refers to the indigenous culture of nurturing life and regulates all exchanges between people and their environment, human values, intercultural practice and their vision of the future, among others. The Quechua view the community, or *ayllu*, as the totality of existence, including the people, ruins, fields, sacred mountains, lakes, waterfalls and the spirit of the forest (Davis, 1999: 3). *Sumaq causay* assumes a reciprocal relationship among three *ayllus* (communities) of *Pacha Mama* (Mother Earth or the environment). The three interconnected communities are the *Runa Ayllu* (the community of humans and domesticated species), the *Sallka Ayllu* (the community of 'wild' species) and the *Auki Ayllu* (the community of the sacred) (ANDES, 2008). *Sumaq causay* requires exploring and creating the material and spiritual conditions to build and maintain harmony among these three *ayllus*.

Sumaq causay provides the basis for constructing a rich and deep economic solidarity based on diversity, equity, self-management, ecological balance and principles for economic efficiency, which meet needs while developing the potential of all. Embracing *sumaq causay* means questioning the traditional concept of development, the idea of

permanent growth and accumulation of material goods and the role markets play within this paradigm. Growth is measured by the *sumaq causay* of the whole collective (*Runa*, *Sallka* and *Auki Ayllus*) and not by the arbitrary aggregate of individual (human) gains.

The basic economic value of *Sumaq causay* is solidarity, expressed as *ayni*, or sacred reciprocity. *Ayni* provides the laws and practices that foster *sumaq causay* and the mutual nurturing and respect between people and *Pacha Mama* (ANDES, 2008). *Ayni* provides the ethical and spiritual norms that regulate all exchanges between people and their environment, promoting the preservation of the integrity of ecological processes, which in turn ensure energy flows and the availability of biodiversity and ecosystem goods and services.

In practical terms, *ayni* means that when Quechua communities cannot find goods, services and labour from within the household, they can resort to a variety of reciprocal arrangements with neighbours and kin based on obligation, loyalty, social and ritual debts (Smith, 1989: 157; Davis, 1999: 3). Thus, *ayni* contributes to the food security of the poorest people, and enhances cultural, social and ecological resilience.

Barter markets in the Andes reflect the philosophy of *sumaq causay* and *ayni*. They are one of the most emblematic established economic institutions of the indigenous peoples in the Andes, as well as a source of inspiration for supporting social transformation for food sovereignty and a solidarity economy (Pimbert, 2010). These systems are part of a web of life which, beyond the economic components, also includes spiritual and cultural dimensions related to production and consumption.

Sumaq causay and barter markets in the Lares Valley

The Lares Valley is about 3,600 square kilometres and is located in the south-eastern Andes in Cusco, Peru. The 19,600 people living in the valley are Quechua, and are spread over about 50 communities. The valley is rich in biodiversity, and covers three different agro-ecological zones between the altitudes of 1,000 and 4,850 metres above sea level

(masl): *yunga* (below 2,300 masl), *quechua* (between 2,300 and 3,500 masl) and *puna* (above 3,500 masl). Andean tubers and potatoes are grown in the highest zone; corn, legumes and vegetables in the middle area; and fruit trees, coffee, coca and yucca in the lower part.

Every week a barter market is held in the middle area of the valley. Here nearly 50 tonnes of goods are traded each market day, ten times the volume of food distributed by the National Programme of Food Assistance. Anyone can participate, and can trade any amount of any crop. Women from the lower part of the valley (*yunga*), in the Amazon rainforest, go up by truck to exchange part of their harvest, especially fruits, coca and coffee, for foods produced in the highlands, mainly corn, vegetables and Andean tubers. The exchange takes place through barter, without any money changing hands. Products are measured in units or handfuls, according to traditional social agreements. The amounts of foodstuffs currently obtained by the exchange of a fixed amount of a certain product in the barter market tend to be higher than those that could be obtained through monetary purchase with the amount of money earned from the sale of that product. The global fall of cash-crops prices does not directly restrict the exchange rates in the barter markets.

The food that the women take to the barter market comes from their own plots, where they practise multi-cyclical agriculture involving a diversity of crops and varieties. Most household production is for direct consumption throughout the year, although some is saved for seeds and livestock feed (in turn, the livestock fertilize the fields). Most of the surplus is exchanged, either at the barter markets or via various forms of social reciprocity. A minor amount is sold in commercial markets. The food obtained at the barter markets is entirely used for the family's own consumption. Since the 1980s the proportion of foodstuffs obtained by households in the valley at barter markets has steadily risen. Today barter markets are the second most important source of food for households after their own fields.

Any household can offer produce on the barter market. The amount and appearance of the

produce do not restrict participation. The barter markets operate on principles of mutual respect and affection among participants. These principles have been institutionalized into exchange and participation rules through ritualized customs that express generosity and solidarity. For example, the *yapa* is an additional amount of produce handed over after two women have exchanged their produce. It cements their friendship and ensures they continue to come to the market. Thus barter markets are not only a material exchange network, but also a symbolic and friendship network. Households whose production is constrained by widowhood or ecological problems can still participate and families frequently lend each other products to exchange.

The barter markets are governed by a *polycentric* system of institutions (Ostrom, 1998): a variety of decentralized institutions that belong to the different realms of community life. These include:

- The women who participate directly in the barter markets, who set the rules and mechanisms of negotiation. They also administer the use of the foods in the households.
- The households and kinship groups, which determine the organization and strategies of weekly participation in the market.
- The communal assemblies, which regulate market operation and deal with any conflicts that might arise.

Women are involved in all three realms. They are like hubs of multi-level management, ensuring that productive processes are integrated with household needs, exchanging produce in the barter markets, and supervising food habits and patterns.

Local and global benefits

Principles of reciprocity and solidarity guide the economic exchange of a diversity of foods, ensuring that the needs of people and the land are met in culturally unique ways. Indeed, recent action research (Marti, 2005; Marti and Pimbert, 2006, 2007) has generated new evidence on the importance of Andean barter markets. Some of the key

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benefits are as follows and each is then described in turn:

- access to food security and nutrition by some of the poorest social groups in the Andes;
- conservation of agricultural biodiversity (genetic, species and ecosystem) through continued use and exchange of food crops at the markets and maintenance of ecosystem services and landscape features in different agro-ecological belts along altitudinal gradients and at multiple scales;
- local, autonomous control over production and consumption and, more specifically, control by women over key decisions that affect both local livelihoods and ecological processes.

Food security and nutrition

Women are key players in this non-monetary market, which is vital in ensuring that their families have enough food to eat, and that they have a balanced diet. The rainforest supplies vitamin C, potassium and sodium through fruit like citrus and bananas that do not exist in the *quechua* and *puna* zones. In turn, these middle and high zones supply mainly potatoes and corn, which provide desperately needed carbohydrates to the rainforest zone.

Conservation of agro-biodiversity and maintenance of ecosystem services

Most varieties found in the barter markets were specifically used within households for a diversity of purposes – including medicine, food, ceremonies, others – rather than for sale. The close correspondence of the exchanged food products with the environmental conditions of each agroecological tier in the valley may indicate that they constitute forms of ecological exchange within the nature of the agro-ecosystem more than the monetary market. These exchanges primarily strive to meet essential human material, social and cultural needs, including things not available on the monetary market. For example, they contribute to the feeling of being integrated in a local social network, being someone controlling the food procurement process, stimulus and

recognition. The barter markets not only make it possible to conserve a variety of family subsistence activities that are interrelated and carefully established and experienced, but they also sustain the modes and means of local food production for self-consumption. Economic exchanges are embedded in other institutions such as reciprocity relations, spiritual values, cultural values, politics and ethics, which are specific of the Lares Valley socio-ecological system and which cannot be explained from the neo-classical economic theory.

Participation in barter markets also enables the farmers to keep their own technically complex processes alive. These dynamic processes are based on the rational use of physical, chemical and biological phenomena, not only on agricultural land but also on natural and semi-natural ecosystems in the wider landscape, with the ultimate goal of achieving *sumaq causay*.

Local, autonomous control over production and consumption, especially by women

Although capitalism assumes complete integration into markets, Andean farmers often exploit both market opportunities and subsistence activities at the same time, and base economic relations on monetary and non-monetary exchanges (Zimmerer, 1996: 45). Our analysis suggests that barter markets are a way for the poorest peoples in the Lares Valley to recover and conserve livelihood autonomy. Three historic episodes back our thesis (and see Box 1):

1. The barter markets emerged in the 1970s as a consequence of the *hacienda* regime and the redistribution of land to the peasants. The barter markets were a mechanism for re-establishing the population's social and ecological integration across the valley's different levels. They enabled the population to regain access to the foods and products cultivated in the different ecological tiers.
2. In the first half of the 1980s, the crisis in the associative model helped consolidate the network of barter markets. The isolated highland population who were excluded from the

Box 1. Emergence of the *Chalayplasa*

The network of Andean markets based mainly on bartering – known as the *chalayplasa* – appears to have emerged in connection with ancient traditions surrounding the production and supply of coca (*Erythroxylum* sp.) for highland consumption. Coca consumption by the highland population has been largely determined by its exchange for *quechua* and *puna* food products. Since the 1970s, however, two main factors have helped to weaken these exchange patterns:

- The institutionalization of 'local development' assistance programmes that aim to get local produce into the cash economy through more intensive farming practices.
- The prohibition of the free trade of coca through the Law on the Repression of the Illicit Drug Trade (DL No22095/78), which makes the state the only institution allowed to trade coca leaves (internally as well as externally) through the National Coca Company (ENACO).

As it was impossible to continually intensify production methods, households instead participated in the cash economy but kept their 'non-currency' economic system going at the same time.

In 1973 the first barter market appeared in the lower valley, in Lwaqay. Local women describe the emergence of the *chalayplasa* as a strategy to procure food directly derived from ancient forms of coca-food exchanges between people from different altitudes. After that new markets began to appear further up the mountains. In 1978, and following the construction of a road into the upper watershed, markets were also established in Pirki and Yerbabuenayoq. People from the Choquecancha and Qachin communities – on opposite sides of the valley – attended these markets. The number of organized *yunga* women (from the lower levels of the mountains) attending the markets slowly increased, and then stabilized with about 40 attending each weekly market. In 1982, the progressive advance of the road into the highlands enabled bartering women to set up three new markets, in Lares Ayllu, Choquecancha and Qachin in the *quechua* zone. These markets still exist. In 2003, a new market in Wakawasi in the *puna* zone appeared as a result of the construction of a new road. The expansion of the barter market network drives the institutionalization of food exchange strategies among people from different ecological tiers.

co-operative system fostered the shift of the barter markets to the highlands. At the request of the communities in the middle zone of the valley, three new markets were opened and remain open today.

3. Since the 1990s, barter markets have continued to gain participants and are once again expanding in number up the mountain slopes. In this third phase in the history of these markets, peasants value these markets because they allow direct access to food and alleviate the increasingly adverse effects of producing for the monetary market. President Alan Garcia (1980–1990) tried to encourage people in the region to buy more of their food, a state strategy that continues to this day. But the women who participate in the markets say that there is a constant increase in the proportion of each household's food that comes from the barter markets.

The fact that these more inclusive economic arrangements are mainly coordinated by women

is particularly important for at least two reasons. First, women are generally more harmed than men by the growing inequalities, insecure employment and social unrest that have marked the last three decades of neo-liberalism (1980–2010). Moreover, the degradation of living conditions in poorer households nearly everywhere has translated into an increase in levels of violence, particularly in domestic and sexual violence, of which women are the main victims (*Le Monde Diplomatique*, 2003). Secondly – as several feminist economists have shown – the gendered structure of the economy as well as male bias in national and international economic policies deeply constrain the institutionalization of both gender and inclusive participation in development. More specifically, the neo-liberal approach to development and corporate-led globalization affirm the superiority of 'economic efficiency' and the 'commodity economy' to the detriment of (a) the 'care economy' where women have a predominant responsibility; and (b) the many subsistence economies that harbour diverse definitions of well-being and

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relationships between society and nature (Carrasco, 1999; Guerin, 2003).

Conclusions

The search for new forms of development requires a renewed search for models that use market and non-economic tools for development. Barter markets and other non-monetary exchanges can help in re-thinking mainstream economics on the basis of radically different principles (e.g. reciprocity, solidarity, affection, respect, gift, equity, sustainability) and a diversity of polycentric institutions (e.g. women's collectives, families, communal assemblies, citizen federations) (Latouche, 1998, 2003). They offer examples of how economics can be re-embedded in society (Polanyi, 1957).

Autonomous responses to global markets, such as the barter markets, can buffer households from the pressures of participating in the monetary market. They can mitigate the risks of increases in prices of agro-chemical supplies, the fall in the sale prices of production, the increases in the purchase prices of agro-industrial foods, and more severe blights in crop monocultures. They also lead to better management of uncertainty (Wynne, 1992) by allowing peasants to diversify crops and varieties to reduce vulnerability to climatic and environmental change. In this sense, we suggest that they add resilience to the social strategies of organization for local subsistence (Norgaard, 1994; Olsson, 2003). They are a form of popular economy in that they adapt traditional forms of cooperation and reciprocity to maintain self-management of production and decentralized governance of local subsistence. Their polycentric governance helps to overcome external shocks, grants a greater capacity for control over the processes of experimentation, learning and adaptation, and helps to consolidate and perpetuate social interdependence in the quest for food security.

Throughout the history of the Lares Valley, the global capitalist market economy has taken a backseat to communities' subsistence strategies. Production for the commercial market has not replaced the valley communities' traditional

approach to producing and distributing food, and local rights are stronger thanks to the polycentric system of local institutions, which the barter markets require. As such, the values and practices that underpin these forms of non-monetary exchange offer important insights into how to integrate human well-being and ecology into economic theory and practice:

- Ensure that introduced modern knowledge and technologies are appropriate for the local context, and contribute to the attainment of *sumaq causay*. Because of its principle of intercultural practice, *sumaq causay* does not deny the positive role that appropriate modern knowledge and technologies can play in fostering human advancement.
- Development does not have to be state led or state managed. Rather, development can be community led and managed. It is possible in a globalized world to link local level action with international organizations, bypassing state institutions that continue to promote growth-oriented development and the destruction of nature and which maintain the *status quo* of unequal relations.
- *Sumaq causay* and *ayni* depend on the recognition of the rights of indigenous peoples. These rights are under threat and must be supported at all levels. Policy makers and donor institutions involved in supporting solidarity economy approaches must become active participants in the implementation of the UN Declaration on the Rights of Indigenous Peoples (UNDRIP) by supporting the implementation of the principles of indigenous solidarity economy institutions such as the barter markets or *Chalayplasa*.

The existence of barter markets demonstrates that we can still pursue alternative models of development, even while dominant development approaches continue to focus on growth and even though modern capitalist system cannot be easily overturned. Indigenous peoples also have a real opportunity and a real responsibility to be pro-active by implementing articles in the UNDRIP that strengthen their social relations

operating under the principle of solidarity. The implementation of the UNDRIP in solidarity economy systems will ensure also the recognition of *Pacha Mama* (the environment) as an

entity with rights. This translates into the right of humans to a healthy environment, and to the right of the earth to a healthy future across the three *ayllus*.

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