MAX-PLANCK-INSTITUT FÜR GESELLSCHAFTSFORSCHUNG
MAX PLANCK INSTITUTE FOR THE STUDY OF SOCIETIES

MPIfG Discussion Paper 25/3

Untrustworthy Authorities and Complicit Bankers

Unraveling Monetary Distrust in Argentina

Guadalupe Moreno

MPIfG Discussion Paper

Guadalupe Moreno
Untrustworthy Authorities and Complicit Bankers: Unraveling Monetary Distrust in Argentina

MPIfG Discussion Paper 25/3
Max-Planck-Institut für Gesellschaftsforschung, Köln
Max Planck Institute for the Study of Societies, Cologne
May 2025

MPIfG Discussion Paper
ISSN 0944-2073 (Print)
ISSN 1864-4325 (Internet)

This work is licensed under the Creative Commons Attribution 4.0 (CC-BY 4.0) International license which governs the terms of access and reuse for this work.

© 2025 by the author(s)

About the author

Guadalupe Moreno is a postdoctoral researcher at Goethe University Frankfurt, Germany.
Email: moreno@em.uni-frankfurt.de

MPIfG Discussion Papers are refereed scholarly papers of the kind that are publishable in a peer-reviewed disciplinary journal. Their objective is to contribute to the cumulative improvement of theoretical knowledge. Copies can be ordered from the Institute or downloaded as PDF files (free).

Downloads
www.mpifg.de
Go to *Publications / Discussion Papers*

Max-Planck-Institut für Gesellschaftsforschung
Max Planck Institute for the Study of Societies
Paulstr. 3 | 50676 Cologne | Germany

Tel. +49 221 2767-0
Fax +49 221 2767-555

www.mpifg.de
info@mpifg.de

Abstract

Money, capitalist market societies' paramount contract, relies on the belief in its enduring value. However, we still know surprisingly little about the social foundations that sustain that belief. How is our collective trust in the enduring value of money socially built, and what happens if people lose such trust? What if a society convinces itself that policymakers cannot guarantee that the value of money will persist over time? In this paper, I use Argentina as a monetary laboratory to study how almost eighty uninterrupted years of high inflation and successive currency crises led to a social trauma that crystalized in the emergence of a *distrust narrative:* a strong popular belief that neither the state nor the local financial system will be able to preserve the value of the national currency or the worth of savings over time. By analyzing the production and reproduction of this narrative and its long-lasting effects on the Argentine economy, I show how rooted distrust in a currency fosters a myriad of practices aimed at protecting savings, which impose severe limits on monetary governance. I emphasize that when state authorities lose control of collective expectations and negative monetary imaginaries take off, a vicious cycle unfolds in which instability, inflation, and devaluation reinforce each other.

Keywords: central bank, civil society, financial crisis, governance, money, trust

Zusammenfassung

Geld als Fundament kapitalistischer Marktwirtschaften beruht auf dem Glauben an seinen dauerhaften Wert. Allerdings wissen wir immer noch erstaunlich wenig über die sozialen Grundlagen, die diesen Glauben stützen. Wie baut sich unser kollektives Vertrauen in den dauerhaften Wert des Geldes auf, und was passiert, wenn Menschen dieses Vertrauen verlieren? Was geschieht, wenn eine Gesellschaft zu dem Schluss kommt, dass die Politik nicht in der Lage ist, den bleibenden Wert des Geldes über die Zeit hinweg zu sichern? In diesem Discussion Paper nutze ich Argentinien als „monetäres Labor", um zu untersuchen, wie fast achtzig Jahre ununterbrochener hoher Inflation und aufeinanderfolgender Währungskrisen zu einem sozialen Trauma geführt haben. So bildete sich Misstrauensnarrativ heraus, eine starke Überzeugung in der Bevölkerung, dass weder der Staat noch das lokale Finanzsystem in der Lage sein werden, den Wert der nationalen Währung oder der Ersparnisse über die Zeit hinweg zu bewahren. Durch eine Analyse der Produktion und Reproduktion dieses Narrativs und seiner lang anhaltenden Auswirkungen auf die argentinische Wirtschaft zeige ich, wie tief verwurzeltes Misstrauen in eine Währung eine Vielzahl von Praktiken fördert, die auf den Schutz von Ersparnissen abzielen und die Geldpolitik stark einschränken. Wenn die Behörden die Kontrolle über die kollektiven Erwartungen verlieren und sich negative monetäre Vorstellungen in der Gesellschaft ausbreiten, entfaltet sich ein Teufelskreis, in dem sich Instabilität, Inflation und Abwertung gegenseitig verstärken.

Schlagwörter: Finanzkrise, Geld, Regierungsführung, Vertrauen, Zentralbank, Zivilgesellschaft

Contents

1 Monetary trust: Challenging the top-down perspective 1

2 Methodology 6

3 The distrust narrative 6

4 The effects of distrust 15

Purchase of dollar banknotes for hoarding purposes 15

The safe deposit box market 18

5 Central bankers facing distrust 19

6 Conclusions 21

References 23

Appendix 26

Untrustworthy Authorities and Complicit Bankers: Unraveling Monetary Distrust in Argentina

1 Monetary trust: Challenging the top-down perspective

What happens to monetary trust when central bankers fail to stabilize a currency and citizens lose faith in the state's ability to manage money? This paper seeks to answer this question by challenging the dominant view in sociology and political economy, which portrays monetary trust as a product of deliberate, top-down efforts by technocratic central bankers. Instead, it explores how trust in money is shaped from below by collective social dynamics, particularly in contexts of chronic instability.

The question of how monetary trust is formed and sustained is critical to understanding the social foundations of money. After all, money's social foundation lies in our collective trust in its enduring value. If we did not trust in the stability of money's purchasing power, we would never agree to exchange valuable goods and services for a piece of paper, a token, or an electronic blip. As Johnson (2022) aptly stated, "Without trust in the stability of its value, money would quickly be reduced to its essential elements: pretty paper, chunks of metal, and digital accounting chits." Trust and stability are the twin pillars of money; yet we know surprisingly little about the social processes that sustain or undermine public trust in the long-term value of a currency, particularly in economies marked by persistent monetary crises.

Monetary and financial authorities play a pivotal role in producing and maintaining public trust in a currency. As Luhmann (1982) noted, monetary trust is primarily systemic, that is abstract and impersonal, extending from citizens toward the state. In essence, monetary trust is nothing more than citizens' positive expectations that the monetary authorities will keep their commitment to accept what they defined as money at the established price, today and in the future (Wray 2002). A "mixture of sentiment and rational thinking" (Lewis and Weigert 1985, 972), this vertical trust is partly based on conscious knowledge and evaluation and can, therefore, be deliberately fostered (Giddens 1994).

Contemporary central bankers understand this dynamic and actively work to build public trust as part of their mandate to ensure macroeconomic stability. After all, if economic agents trust central bankers' policies, they are more likely to cooperate, enhancing policy effectiveness (Blinder 2009). To this end, central bankers draw on a range of

I would like to thank Matías Dewey and Melike Arslan for their extremely helpful reviews, and Juliet Johnson and Ayca Zayim for their thoughtful engagement and encouragement throughout the development of this paper. I'm also grateful to Regina List and Sharon Adams for their careful reading of the text and support. Most of all, I thank the interviewees who, though they must remain anonymous, gave meaning to these pages with their openness and insight.

"active communication" strategies (Giddens 1991), ranging from publicly committing to target specific inflation levels to writing elaborate reports communicating the rationale behind their policies. Such practices help them foster public trust in a given currency and credibility in their role as guarantors of the monetary order behind it (Braun 2016; Haldane 2018).

Although historically these efforts have primarily been geared toward earning the trust of financial markets and other expert audiences, recent studies show that these officials are increasingly concerned with reaching out to broader sectors of society (Binder 2017; Singleton 2010). To this end, they have simplified the language of their reporting (Haldane, Macaulay, and McMahon 2020; Haldane and McMahon 2018), increased the variety of topics addressed in their speeches (Moschella 2024; Moschella, Pinto, and Martocchia Diodati 2020), and invested time and money in developing new semiotic devices, such as museum exhibits (Johnson 2022).

Without denying the effort that contemporary central bankers devote to gaining the trust of the general public in their ability to manage money and maintain its value over time, the contemporary debate often exaggerates the effectiveness of these deliberate efforts to voluntarily influence the structure of beliefs, imaginaries, and socially shared expectations that sustain public trust in a currency. The current debate on central banking presents a picture of monetary trust as a performative achievement of technocratic communication: the direct and deliberate product of strategic communicative actions performed by technocrats specialized in managing collective macroeconomic expectations (Abolafia 2010; Best 2019; Braun 2015; Holmes 2009; Orléan 2008; Velthuis 2015). In this picture, central bankers are depicted as experts who engender the stability they seek because they can convince economic agents of the certainty of their forecasts and induce them to align their expectations with their own (Coombs 2022; Polillo 2023). Economic agents, for their part, are portrayed as faithful followers who adapt their wage demands and the prices of their products to these announcements, making it easier for central bankers to reach the outcomes they predicted in the first place.

On closer analysis, however, this portrayal is overly simplistic and misrepresents the complexities of monetary trust. It implies that central bankers can reliably create stabilizing, self-fulfilling prophecies, whatever the context and circumstances in which they are called to perform their functions. And while no one can deny that, today, these inflation hawks have become skilled players in a complex game of "expectational politics" (Beckert 2013; Beckert and Bronk 2019; Wansleben 2023), our current depiction conveys a disproportionate image of their power to produce monetary trust under any circumstance, thanks to their sophisticated monetary tools and strategic communicational apparatus (Braun 2015; Walter and Wansleben 2020).

Part of the problem, I argue, derives from the fact that our current knowledge is heavily influenced by the study of successful cases; namely, cases in which communication is effective, inflation expectations are anchored, and central bankers have managed to maintain – or at least to rebuild – long-term monetary trust. Especially in political economy, abundant studies examine the US Federal Reserve (Abolafia 2010; Fligstein, Brundage, and Schultz 2014; Golub, Kaya, and Reay 2015; Walter and Wansleben 2020), the European Central Bank (Angino, Ferrara, and Secola 2022; Braun 2015; 2016; Moschella 2024; Velthuis 2015), the Bank of England (Cassar 2024; King 2005), and some lesser-known central banks, such as those of Switzerland (van't Klooster and Fontan 2020; Wansleben 2018), Italy (Polillo 2023), and Denmark (Sørensen 2015). Although these central banks occasionally faced events that put their credibility at stake, all of them, eventually, managed to restore expectations of stability and regain public trust in their expertise and their policies (Hayo 1998; Roth, Gros, and Nowak-Lehmann 2014).

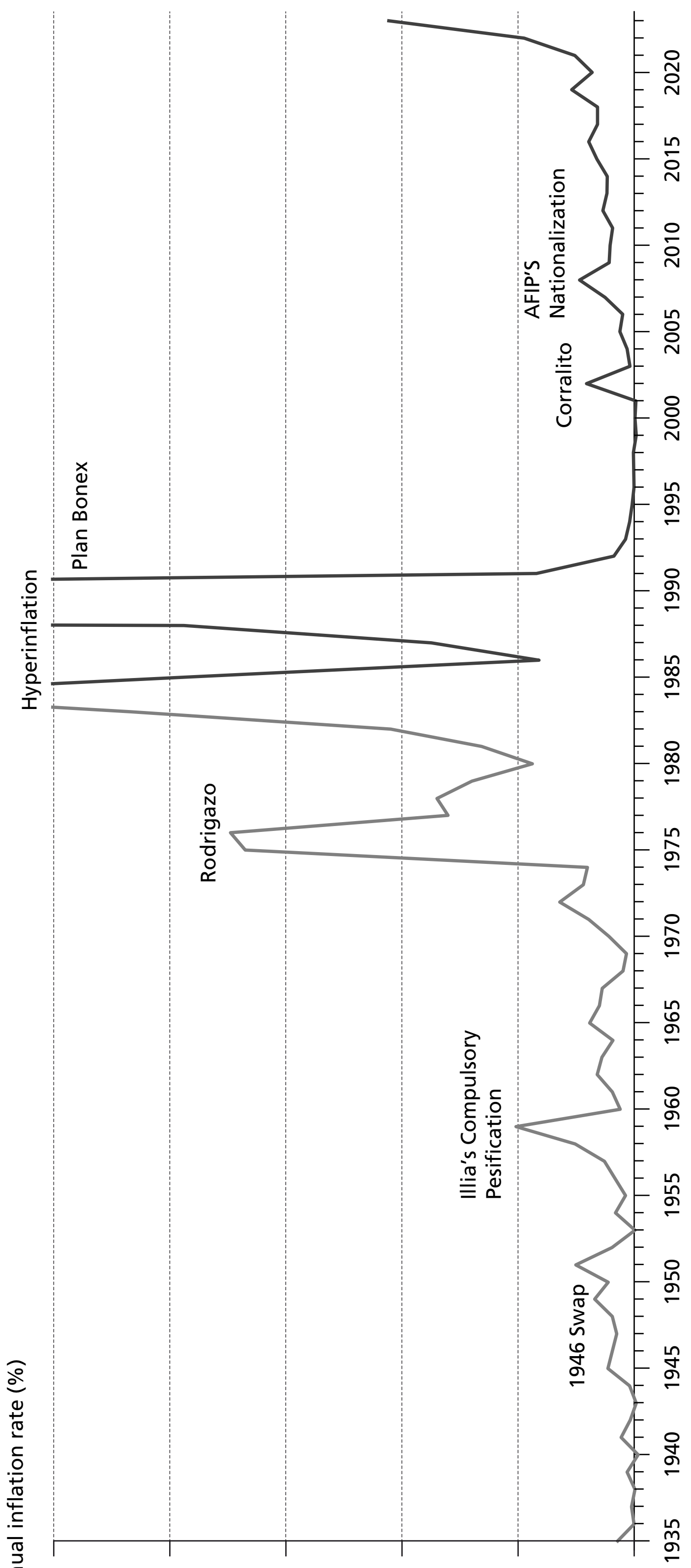
Arguably, the most famous example of a central bank rebuilding trust is that of the Bundesbank following the Weimar Republic's hyperinflation. After navigating one of the most extreme hyperinflation crises in history, the Bundesbank successfully rebuilt trust from scratch, fostering a culture of institutional stability that became globally renowned for its strong aversion to inflation and its emphasis on fiscal austerity (Barkhausen and Teupe 2023; Hayo and Neuenkirch 2014; Howarth and Rommerskirchen 2013; Redecker, Haffert, and Rommel 2019). Similarly, the European Central Bank (ECB) managed to restore public trust after facing intense criticism following the global financial crisis. While trust in the ECB plummeted to an all-time low in February 2009, it gradually rebounded. By March 2021, 79 percent of citizens in the euro area expressed confidence in their central bank and supported the continuation of the euro (Ehrmann, Soudan, and Stracca 2013; Roth 2009a; 2009b; Roth, Gros, and Nowak-Lehmann 2014).

While these examples support the dominant narrative of central bankers as the primary architects of collective monetary imaginaries, this view becomes inadequate in less-studied contexts where crises undermine trust and stabilization policies often failed. In financially subordinate economies (Alami et al. 2023), persistent instability continuously challenges central bankers' ability to restore monetary trust.

Despite the limited number of studies on these cases (Johnson 2000; Maman and Rosenhek 2009; Muir 2015; Zayim 2020), examinining the dynamics of monetary trust and distrust in these settings challenges prevailing assumptions in sociology and political economy, which portray trust as a top-down construct shaped by central bankers' expert management of collective macroeconomic expectations. From this alternative lens, it becomes clear that monetary trust – the collective expectation that the central bank will maintain the purchasing power of money – can also be fragile and unruly. Rather than being solely shaped from above through technocratic interventions, trust is also shaped from below by collective social dynamics. The spread of fear, the proliferation of rumors, and the weight of historical traumas all influence trust in money, making it as much a product of societal forces as of deliberate policy efforts.

Argentina provides a compelling case for challenging the dominant view that monetary trust is primarily the product of central bankers' strategic actions. Enduring monetary

Figure 1 Argentina's monetary history



Prepared by the author based on data published by Argendata.fund.ar.

instability in Argentina has forced economic actors to radically reconsider their trust in central bankers' ability to preserve the national currency's purchasing power over time. Since the establishment of its central bank in 1935 – a time when Argentina's gross national product rivaled that of France and Germany – the economy has faced relentless monetary disorder, failing to stabilize its currency for any sustained period (see Figure 1). Since 1946, Argentina has been plagued by near-continuous inflation, which rarely dropped below 25 percent. Starting in 1955, the country has endured recurring balance of payments crises and exchange rate shocks. Notably, two severe hyperinflationary episodes in 1982 and 1988 prompted widespread dollarization of savings, a practice that persists and deepens daily (Gaggero, Schorr, and Wainer 2014; Levy Yeyati and Sturzenegger 2003).

The pursuit of political solutions to these crises has been both fervent and largely ineffective. From 1952 onward, Argentine governments implemented eighteen stabilization plans, none of which delivered lasting results (Moreno 2020). In the quest for stability, the central bank has changed the currency five times: the Peso Nacional (used until 1969) was replaced by the Peso Ley (1969–1983), the Peso Argentino (1983–1985), the Austral (1985–1991), and, finally, today's Peso (since 1992). Perpetually constrained by fiscal deficits, the Argentine state has resorted to drastic measures to address its financial challenges, including six major confiscations of bank deposits and five defaults on foreign debt – the world record for sovereign defaults to date. Despite countless monetary experiments devised by economists across the ideological spectrum, Argentina remains mired in financial scandals. Even in 2024, the country teeters on the brink of its third hyperinflationary crisis, with annual price increases nearing 200 percent (IMF).

In what follows, I examine how prolonged monetary instability has eroded Argentines' trust in their national currency and the state institutions responsible for its issuance. I show how the memory of past crises continues to haunt Argentines' monetary imaginaries today, fostering a persistent distrust in the currency, the state, and the banks that no political figure has yet been able to dispel. Relying on this case study, I critique the prevailing view in sociology and political economy that sees monetary trust as primarily the outcome of central bankers' ability to craft collective monetary imaginaries. The paper proceeds as follows: After this introduction, I outline the methodology used to gather data. The next section examines how the memory of past crises coalesced into what I term the "distrust narrative," a set of intertwined beliefs that permeate Argentines' monetary imaginaries. The fourth section discusses how this distrust led to the ongoing dollarization of savings. The fifth section shows the severe constraints distrust imposes on central bankers, complicating their efforts to manage collective macroeconomic expectations. Finally, the sixth section offers some concluding remarks.

2 Methodology

This paper is based on the qualitative analysis of field material collected in the City of Buenos Aires between February and June 2018. This period was marked by deep monetary turmoil provoked by widespread rumors about the loss of independence of the Central Bank of Argentina in its fight against inflation. Combined with an interest rate hike implemented by the US Federal Reserve, these rumors triggered an unexpected capital flight that led to an abrupt devaluation. As had happened so many times in Argentine history, the exchange rate jump led to the central bank governor's resignation, the abrupt abandonment of the monetary regime (inflation targeting), and a deep political crisis within the government. Starting from the methodological premise that episodes of monetary turmoil are strategic windows to study the social representations that underpin collective trust in money (Aglietta 2018; Aglietta and Orléan 1990; Orléan 2014; Théret 2007a; 2007b), I used the social upheaval provoked by the exchange rate turmoil as a heuristic resource.

To map the multiple layers of the social debate around the (un)stable nature of money's value, I conducted seventy semi-structured interviews with savers of different ages and income levels, financial investors, bank managers and employees, central bankers, finance ministry officials, economic advisers, and financial journalists (see the appendix for details of the interviewees). Since my objective was to identify the myriad of imaginaries from a historical perspective, the interviews sought to reconstruct not only the current experience but also to evoke past experiences of the interviewees during similar episodes of monetary turmoil. I aimed to understand how present and past experiences transformed the interviewees' beliefs and saving and investment practices. The interviews were conducted in Spanish, following a semi-structured questionnaire, and then transcribed, coded, and analyzed with MaxQDA software. The analysis of this rich material gave me access to different dimensions of the heated debate about the chronic loss of value of the national currency and the authorities' inability to preserve the value of savings. The imaginaries that comprise what I collectively call the distrust narrative repeatedly appeared in my interviews and constituted a common thread among them.

3 The distrust narrative

Monetary and financial crises are traumatic events that affect our monetary beliefs and habits in a lasting way. In crises, money ceases to be an instrument of daily payment and becomes a source of constant concern. As the system of equivalences that sustains the economy breaks down, monetary routines no longer hold, and economic actors are forced to find solutions to protect their income and savings from constant devaluation. In addition to facing individual financial failures, social actors experience a collective disillusionment that forces them to revise their beliefs about money (Carruthers and Babb 1996; Luzzi 2013; Neiburg 2010; Théret 2015).

In Argentina, almost eighty years of constant monetary turmoil repeatedly broke down the monetary order and distorted collective beliefs about the national currency's capacity to store value. The trauma of past crises not only shattered the narrative that money is an asset that maintains its value over time. It also left indelible marks that, over time, crystallized in a new collective belief that is today firmly rooted and widely shared: economic officials and national financial institutions cannot be trusted to protect the value of money and that, therefore, income and savings are better protected if kept in US dollars outside the national financial system. I call this belief the distrust narrative. Such a narrative ran through all my interviews, acting as an argumentative thread that shaped the monetary imagination of those whom I talked to. In what follows, I describe the main aspects of this narrative, explain the experiences that gave rise to it, and briefly explore the social channels that help to reproduce it daily, making distrust last longer than the specific monetary crises that originate it.

After almost eight decades of monetary upheaval, Argentines are firmly convinced that neither the monetary authorities nor the national financial system will fulfill their mission of keeping the value of money stable and protecting the worth of savings. A historical product, this engrained distrust is today a certainty that replaces uncertainty with the negative expectation that there is no escape from recurring crises, which, sooner or later, will erode the value of money and savings. This certainty is not, however, an indeterminate feeling but a negative collective expectation projected against two specific actors: the state and the banks.

The distrust narrative is a belief comprising three interlocking and mutually reinforcing assertions. The first assertion is the certainty that, no matter what happens, the monetary authorities will be unable, or unwilling, to keep the value of money and savings stable. As we shall see, many Argentines doubt not only the authorities' ability to stabilize the currency's value but also their intent to do so. The second widespread belief is that financial institutions – especially banks – will not protect the value of their customers' deposits. The overwhelming majority of Argentines doubt the safety of their savings if deposited in banks, and many of them choose to withdraw their deposits from the financial system. Finally, the third conviction states that income and savings will be better protected if kept in cash dollars instead of pesos.

What experiences have given rise to these three intertwined, highly resilient, beliefs? Although the experiences that led to such a long-lasting distrust toward the national currency and the monetary order behind it are diverse and include a long list of individual events, this list has some repeated elements. Of course, the daily experience of living with inflation for decades has played an essential role in nurturing Argentines' distrust in the lasting value of their currency. Forced to live with an annual inflation rate that has never fallen below 20 percent since 1946 and at times reached levels as astounding as 3000 percent, Argentines have gradually ceased to think of a one-peso bill as a valuable object. As Adela, a 46-year-old teacher, put it:

> In Argentina, we have no monetary illusion. After so many years of learning, we understand perfectly that the bill that says 100 is not always worth 100. Today, with that bill, you buy a kilo of potatoes. But not tomorrow. We know that.

Argentines have learned that their currency can lose its value, mainly because they live in a country that destroyed their monetary illusions precisely because "it could not provide them with a personal experience of stability."[1] However, the experience of rising prices and falling purchasing power has not been the one that has penetrated most deeply into the national imagination. The accounts of all my interviewees provide unequivocal testimony that if monetary crises were profoundly traumatic and unforgettable, it was because they resulted in abrupt and unexpected economic losses. An overwhelming number of Argentines suffered severe economic losses in the various currency crises, which, as I will show in the following, crystallized into a deeply rooted and robust collective conviction that the state, its officials, and the local financial entities have neither the capacity nor the willingness to maintain the value of money and the worth of savings. The trauma of past crises is so intense that, even when the economy is stable, the slightest setback brings back memories of past crises in which savings gathered throughout a lifetime were wiped out overnight. As Esther, a 65-year-old branch manager at Banco Galicia, put it:

> To understand Argentines, you need to dive into our collective memory. Losses and gains have been extreme. At some point, we all have gone from having a lot to having nothing. We have lost our savings overnight, lost everything from one day to the next. Therefore, we have a trauma and every time there is a slight currency movement, it seems like a convulsion, and we all run desperate to take out whatever we have in the bank.

It is essential to understand that the effects of monetary crises on public trust in money are not uniform but always depend on how each crisis is managed and resolved; that means, on the effects caused by the specific measures implemented to resolve the crisis. There is no doubt that resolving a monetary crisis is always a complex task because it inevitably entails trade-offs between the different actors involved. Whether they like it or not, in any crisis, public officials will be forced to make decisions that will benefit some actors and harm others and, therefore, will bring conflict and controversy.

What is remarkable about Argentina, however, is not that the measures implemented to get out of each crisis were a matter of debate. What is remarkable is that for more than seventy years, these policies had a specific bias: to protect debtors and borrowers to the detriment of savers. Some of these policies were a legitimate attempt to facilitate access to cheap credit and stimulate industrial development and productive investment. Others were a desperate attempt to reduce inflation, attenuate the state debt, or protect the banking system from bankruptcy. But in either case, what remains constant is that practically all post-crisis policies in Argentina were so-called "easy money policies" (Frieden 2016). These are policies with which governments and central banks seek to

1 Interview with Ruben, a 49-year-old state worker. Buenos Aires, 02.06.2018.

favor consumption, investment, and economic growth but which harm those who have resources in the financial system in the form of savings or investments.

Although it is impossible to give here a full overview of the measures used to solve almost eighty years of financial crises, the list of measures implemented by governments of different political colors includes diverse combinations of the same elements: substantial devaluations combined with deposit freezes and strict exchange controls, compulsory swaps of saving instruments, and forced "pesifications." Although these measures may have alleviated the pressure on the domestic industrial sector and protected the financial system from bankruptcy, they also left indelible marks on those who had savings in the national financial system because they systematically and repeatedly harmed them. All of the twenty-nine savers I interviewed had suffered severe personal losses during one of the crises or could vividly cite the losses suffered by their relatives or close friends. Anselmo, a 71-year-old lawyer who had been living with crises for decades, reflected:

> I have been facing crises for decades. They took my savings twice. After the second time, I said no to the system, my money never again! Because you can trust neither the state nor the banks. If options are too attractive, or politicians start denying there is a crisis, something always explodes. It has already happened several times. We have experience, and this experience teaches us that we should not trust, because history can repeat itself.

In a similar tone, Mario, a 68-year-old executive, heir to a textile firm now located in northern Buenos Aires, shared the lessons learned after decades of monetary upheavals:

> White-haired people like me learned many things along the way. We investors suffered strong shocks in this country. They appropriated our savings and our bank deposits. So those who can flee, they flee and look for safer places outside the banking system. Not as profitable, but safer.

My other interviewees repeatedly cited the lessons learned from successive crises. Although not all had suffered severe losses firsthand, the experience had reached them through the accounts shared by family members and close friends. Some stories had transcended generations, passed down from parents and grandparents to children. Miguel, a 43-year-old researcher, had been "marked" by the experience of his grandfather, who, after losing all his savings twice, decided to take his remaining money out of the bank and bury it in the backyard of his house. "I remember that a few months before the 2001 crisis broke out, he called me and said, 'Dear, if anything happens to me, there are 8,000 dollars buried under the jasmine plant.'" Julia, a 65-year-old commercial employee, "never forgot" her grandmother's unfortunate fate during the violent devaluation of 1975 called "the Rodrigazo." Just before the devaluation, her grandmother had sold a house, but after the crisis, the money was only enough to buy a set of dining room furniture. José, a 64-year-old construction businessperson, had a harrowing memory of the hyperinflation of 1989. His father committed suicide after learning that the devaluation had wiped out the savings the family had accumulated over decades, and the family business had gone bankrupt. Eugenia, a 40-year-old veterinarian, recounted that her father went into a severe depression after suffering heavy economic losses in the same crisis. In the 2001 devaluation, the uncle of Valeria, a 42-year-old teacher, lost all his savings and was forced to suspend his plans to emigrate to Spain. The same fate befell Rocío, a 56-year-old social worker, who lost much of her wealth in the 2001 devaluation but used what she had left to emigrate to Canada. "The money was trapped in the bank, and in order to leave, we sold our apartment in the middle of the crisis. They paid us 15,000 dollars. Nothing! But we could buy the plane tickets, leave, and start from scratch."

Of course, crises did not always leave bitter memories. Some remember them precisely because they escaped from them. Sometimes by chance, sometimes thanks to the power of rumor and the warnings of "more informed" friends, relatives, and acquaintances. The truth is that there were also Argentines who gained enormously from the significant wealth redistribution that followed most monetary crises. Such was the case of Leonor, a 51-year-old psychologist. During the 1975 crisis, her parents bought the house where she grew up for a meager price.

> The house's value was 150,000 dollars. My parents agreed to pay for it in pesos, in installments. But two months after they bought it, the devaluation occurred, and, after, the installments were worth nothing. They paid around 20,000 dollars for the house in the end. The man who sold it wanted to jump off the balcony.

Other interviewees also confessed to having escaped from a crisis. Among them was Manuel, a 60-year-old electrician, who, a few months before the 2001 devaluation, had the good fortune of having a "very well-informed friend" who had been "warning him for some time to be careful with his savings." Following his advice, Manuel went to the bank to withdraw the 80,000 US dollars he had saved. "Soon after, I saw that everyone was desperate. The government had pesified and devalued all the savings. And I thought, 'thank God I saved mine.'" Alberto, an 82-year-old gynecologist, now retired, also managed to escape the 2001 crisis thanks to his intuition. After hearing the first rumors of devaluation, he asked his children to lend him the dollars he needed to repay a bank loan. "My children saved me. After the devaluation, the loan's value would have quadrupled, and I would have been indebted for the rest of my life."

Even those few who had not personally gone through traumatic situations remembered in detail the collective monetary dramas experienced during the many Argentine crises. Among them, Gaston, a 47-year-old researcher, told how national history had given him enough evidence never to trust his savings to local banks:

> I have never had and never will have money in any Argentine bank. Never. I remember the 2001 crisis perfectly well. But I know it was not the first time strange things happened. In 1989, the banks confiscated all fixed-term deposits. I remember it as if it were today. It was the summer, we were all at the beach and newspapers published that banks had taken people's savings! I had no money, neither inside nor outside the bank. But the experience was enough for me never to trust Argentine banks again.

The nineteen portfolio managers and bank employees I interviewed confirmed that the losses suffered are fresh in Argentines' memories and continue to inform their savings decisions. As Valentin, a financial adviser pointed out:

> Memory affects decisions. In this country, you have people who have lived through everything: people who lived through hyperinflation, the Rodrigazo, the Bonex Plan, the Corralito. People who have lived through all the crises we have had in Argentina. And understandably they have no trust in our currency or the local financial system.

Undoubtedly, the most characteristic element of the distrust narrative is the deep distrust that Argentines have in the monetary authorities and their ability to preserve the value of money. This belief has two aspects. On one hand, Argentines do not believe that officials have the knowledge, expertise, and technical capacity to stabilize the economy and protect the currency. As the testimony of Hernán, a 61-year-old businessperson, illustrates, a long history of macroeconomic mismanagement is behind this negative sentiment toward public officials:

> We all know that the underlying problem is the government. The political class has squandered the wealth of the country and its people. You cannot trust politicians! They are useless and lazy, and the only thing they know how to do is to devalue and liquefy savings. They have given us ample proof of their inability. They do not know how to manage the economy. They never knew.

But if "Argentines' experience with savings is ill-fated,"[2] it is not only because historically the ruling parties projected an image of incompetence that reinforced the impression that those in charge of monetary stability did not know what they were doing. This experience is also "ill-fated" because, as Lila, a 75-year-old pediatrician now retired, pointed out: "Many times the government appropriated our savings. Sometimes they returned them, and sometimes they did not." As illustrated by Lila's testimony, Argentines distrust not only the authorities' capacity to stabilize the value of the currency. Above all, they distrust their intent to do so.

Indeed, just as Lila remembered, there were many unfortunate occasions when crises were resolved by resorting to measures that appear in the collective memory of Argentine savers as "appropriations." The list of these events includes two types of policies used repeatedly by different Argentine governments: a) compulsory swaps of savings instruments and b) deposit freezes linked to abrupt devaluations and forced pesifications. Both sets of policies resulted in huge losses for those who had their savings deposited in the national financial system.

There were several occasions when Argentines saw their liquid deposits converted into government debt securities without their consent. The first compulsory swap of savings instruments occurred in 1946, when the government of Juan Domingo Perón forced those who held "cédulas hipotecarias" (a then widespread and profitable long-term sav-

2 Interview with Fernanda, a 63-year-old secretary, now retired. Buenos Aires, 12.06.2018.

ings security issued by Banco Hipotecario) to exchange them for central bank certificates yielding negative real interest rates. As Corso (2015) points out, the financial reform of 1946 was a turning point that marked the end of savings in pesos and initiated a massive outflow of resources from the national financial system that would continue to deepen in the following decades. The last compulsory conversion occurred in 2008 when President Cristina Kirchner nationalized the pension system (AFJP). As Fernanda, a 63-year-old secretary now retired, recalled:

> The government nationalized our private savings! As private pension companies charged high commissions, they decided that the state would better manage those funds. And they took all the savings from the system! They took our money! And told us that when we retired we would receive a proportional share of our contribution, which, as usual, did not happen! I had 80,000 US dollars saved and stopped having them just like that, in one month!

Between the compulsory exchange of 1946 and the nationalization of the pension funds in 2008, at least three other episodes of compulsory swaps occurred that were enormously traumatic for citizens and remain vivid in their memory.[3] As illustrated by the testimony of Leopoldo, a 70-year-old CEO of a major credit card company, Argentines still remember with bitterness the moments when banks withheld their savings and forcibly converted them into government debt securities:

> How often did the state not have a penny and tell the banks “I will keep all this money from the savers; you take these bonds?” Just like that, suddenly. Boom, take it! A thousand times! I have lived through all the crises. And all of them were because the state lacked money. And when the Argentine state is short of money, it takes the people’s money. There is not much more to explain. The crises have all been creative ways of taking people’s money, one way or another!

The second combination of anti-crisis measures that remained etched in the collective memory of Argentines for their dramatic effects on savings was the freezing of deposits associated with abrupt devaluations and, sometimes, compulsory pesifications. As illustrated by the testimony of Malena, a 44-year-old social worker, Argentines are so used to devaluations that they prepare for the next occurence:

> The government might freeze and devalue your money overnight, while you look like an idiot because your lifetime savings are gone! We all have this idea in mind. We know a sharp devaluation is coming at any moment and we all live with this threat constantly upon our heads!

Although the fateful combination of a sharp devaluation with the freezing and compulsory pesification of deposits occurred more than once in recent history, the event that remains freshest in Argentines’ collective memory is the one caused by the violent abandonment of the convertibility regime in December 2001. Faced with an international

3 The “confiscatory” events that appeared repeatedly in my interviews were the “Forced Saving” (Ahorro Forzoso) policy set by Raul Alfonsin (1988), the Plan Bonex set by Carlos Menem (1989), the Corralito and the swap of deposits for bonds that followed it set by Fernando de la Rua and Eduardo Duhalde (2001–2002), and the nationalization of the AFJP set by Cristina Kirchner (2008). See Figure 1.

crisis of confidence that prevented the government from continuing to finance its deficit with external credit, Argentina had to abandon the exchange rate peg between the Argentine peso and the US dollar. As in other moments in national history, the abrupt exit from dollar convertibility led to a set of very unfortunate measures for those who had their savings in the financial system. Among them was a) a freeze on deposits that prevented the withdrawal of savings from banks – popularly called "Corralito" – which was combined with b) the forced pesification of all dollar deposits and c) a 40 percent devaluation of the currency. Although the government's primary objective was to avoid massive bank runs and the bankruptcy of the financial system, in practice this combination translated into enormous losses for those who had their savings in the national financial system. Unable to withdraw their deposits from the banks, Argentines could do nothing but watch passively as their savings were forcibly converted into pesos, and their value vanished after the devaluation.

All my interviewees remembered the Corralito. Many had suffered severe financial losses. Others spent years unable to access their money freely. Gustavo, a 49-year-old computer engineer, needed three years to recover his money:

> I went several times to the bank with a court order to get back my 12,000 pesos (12,000 US dollars at that time), but they told me they could not give them back to me. Everyone was desperate. Ultimately, I got my money back three years later, in pesos instead of dollars and without the interest for the past years.

Silvia, a 73-year-old biochemist, also had her savings trapped in the bank for years. The same thing happened to Lila and Anselmo, who, after the crisis, decided not to keep their deposits in a bank anymore. Diana needed seven years and her parents eight to get their deposits back. Fiona's mother, a retired businesswoman, lost all her savings because her bank went bankrupt. Paola, a 64-year-old teacher, was one of the few interviewees who managed to get around the restrictions and recover part of her money: "I opened twelve bank accounts and divided my savings among them. I went through all the branches every morning and withdrew what I could. It took me months, but I got a lot out."

These dramatic experiences not only nurtured a strong distrust in the Argentine state and its ability to keep the value of money and savings stable. They also fed a deep distrust toward local financial institutions, which were considered "complicit" in the losses suffered. As Ismael, a 47-year-old financial adviser who worked at Citibank during the 2001 crisis, pointed out:

> People fear banks because they collaborated with the state to decimate savings a thousand times. In 2001, people were furious. They felt robbed – betrayed – and the banks became the face of that betrayal. Trust had collapsed, and the sense of being swindled was so strong that no one wanted to set foot in a bank anymore. Inside, we had to barricade the doors to protect ourselves. People hurled stones at us, smashed windows and ATMs with sticks, and even threatened us with guns. One morning, five armed customers burst in, shouting, "You knew! I want my money back." I had a nervous breakdown and ended up in the hospital.

Inevitably associated with distrust of the state and banks, the third belief that makes up the distrust narrative asserts that to safeguard the value of savings, they must be kept in a reserve asset outside the national financial system. Always prepared for the worst, Argentines employ a set of defensive savings practices that seek to avoid being placed in a position of vulnerability again. Among the most important are the preference for liquidity, the low incidence of bank savings, and dollarization (Corso 2015; Levy Yeyati and Sturzenegger 2003; Luzzi and Wilkis 2019).

Undoubtedly, the preferred defensive saving practice of Argentines is dollarization. Depending on the investor, this can take more or less sophisticated forms, ranging from purchasing securities and shares in dollars to hoarding dollar bills. Once again, collective memory is central in explaining why this savings practice is so widespread today. As Rolando, an employee at Credicoop Bank, pointed out: "Argentines buy dollars because our collective memory indicates that people who bought dollars always won. Everyone feels the US government never failed us, but the Argentine government did." The testimonies of my other interviewees confirm Rolando's perception, illustrating, once again, the importance of the losses suffered in the past. Mateo, for example, a 35-year-old electrical technician, came to the conclusion that "saving in pesos is ridiculous" after his grandfather's savings were lost:

> When my grandfather died, we found all his savings hidden in a drawer. But they were in pesos! And when we found them, they were not even currency in circulation because we were already with the Australes! We couldn't do anything with that money; it was colored paper! Since then, no one in my family has saved in pesos, but in a currency that will continue to be worth it!

Ludmila, a 25-year-old store clerk, reasoned similarily, recalling the heavy losses suffered by her father during the hyperinflation:

> Convince me! Tell me, why should I save in pesos?! It's a risk! My old man in 1988 lost everything because he kept his savings in pesos! As always, there was a crisis, and suddenly, a dollar cost three times as much. And he lost everything because he saved in pesos! So I buy dollars. I know I will not earn interest, but I will not lose my savings.

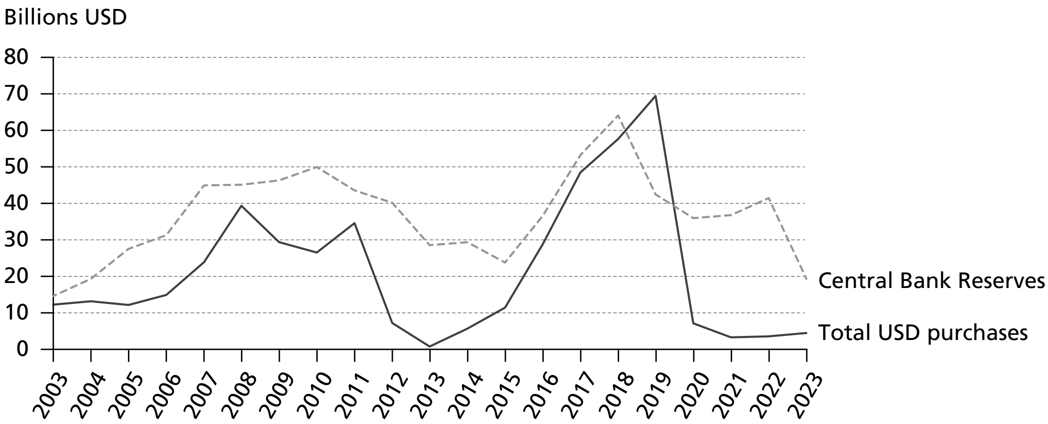
Permanently encouraged by this radical distrust, Argentines systematically convert their savings into dollars and store them outside the national financial system. Although these defensive saving behaviors are problematic to document by their very nature, some indirect indicators show the magnitude of the informal dollarization of savings in the country. The following section introduces two of them: the purchase of cash dollars for hoarding by families and companies and the consolidation of a market for safe deposit boxes used to hoard that cash.

4 The effects of distrust

Purchase of dollar banknotes for hoarding purposes

The most convincing indication that Argentines' distrust in their currency is a sentiment that survives time and specific crises is the sustained increase in the amount of dollars hoarded by families and companies in the country. Although by its very nature the practice of dollarizing savings and hoarding them outside the financial system is difficult to track, some indirect indicators allow us to estimate the magnitude of informal dollarization in Argentina and show that it is a growing trend. One of the best sources is the balance of foreign exchange operations registered by the Central Bank of Argentina. Figure 2 illustrates the net amounts of dollars purchased annually by Argentine families and companies during the last twenty years (from January 2003 to December 2023).[4] The figure also shows the central bank's total reserves during the same period to give the reader an idea of the magnitude of private dollar purchases.

Figure 2 Dollar purchases made by Argentine families and private companies, 2003–2023



Prepared by the author based on data published by the Central Bank of Argentina, the Ministry of Economy of Argentina, and the International Monetary Fund.

4 For the elaboration of the table, I used data from the Central Bank of Argentina's (BCRA) foreign exchange balance sheet available at: https://web2.bcra.gob.ar/PublicacionesEstadisticas/Mercado_de_cambios.asp. The indicator used is "Formation of foreign assets by the non-financial private sector." It should be noted that this indicator includes only the purchase of foreign currency made by private companies and individuals. All transactions with a commercial purpose (such as imports and exports, debt interest payments, and firms' profit remittances to international branches) are excluded. Expenses linked to tourism and private remittances do not fall under this category either. It should also be noted that the graph shows the total amount of dollars sold monthly by the central bank to Argentine families and companies, regardless of their destination. In other words, the statistics do not show whether the person or company that buys foreign currency deposits it in the bank afterward or withdraws it from the financial system altogether.

Table 1 Dollar purchases made by Argentine families and private companies between January 2003 and December 2023 (in billions of USD)

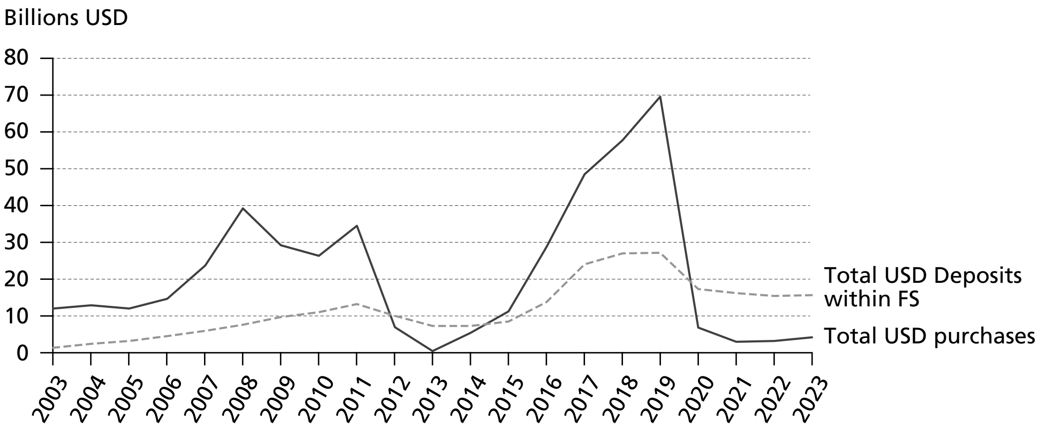
Year	USD Total purchases	Central bank reserves	GDP	Total USD purchases in relation to GDP (%)	Total USD purchases in relation to CB reserves (%)
2003	11.76	14.15	127.00	9	83
2004	12.70	18.88	164.90	8	67
2005	11.72	27.18	199.26	6	43
2006	14.46	30.90	232.89	6	47
2007	23.44	44.68	287.92	8	52
2008	39.01	44.85	363.55	11	87
2009	28.99	46.09	334.59	9	63
2010	26.12	49.73	424.69	6	53
2011	34.26	43.27	527.65	6	79
2012	6.72	39.92	579.76	1	17
2013	0.21	28.14	611.98	0	1
2014	5.15	29.02	564.12	1	18
2015	10.99	23.42	642.70	2	47
2016	28.47	36.32	557.36	5	78
2017	48.23	53.03	644.07	7	91
2018	57.49	63.96	525.50	11	90
2019	69.36	42.19	447.38	16	164
2020	6.60	35.65	385.35	2	19
2021	2.72	36.45	486.33	1	7
2022	3.00	41.20	633.20	0	7
2023	3.97	18.99	647.19	1	21

Prepared by the author based on data from the Central Bank of Argentina, Ministry of Economy of Argentina, and International Monetary Fund. All values are expressed in billions of USD.
The period from 31.10.2011 to 16.12.2015 indicates the years of Cristina Kirchner's "cepo cambiario." While strong social and political pressure led Mauricio Macri to ease the restrictions between 2016 and 2020, Alberto Fernandez's government imposed them again in August 2019. Today, they continue to be in place despite the liberal orientation of the government.

Data sources:
GDP – Ministry of Economy of Argentina – "Activity Level" section: https://www.economia.gob.ar/datos/
BCRA Reserves – IMF International Financial Statistics – GDP and components: https://data.imf.org/
Dollar Purchases – BCRA Foreign Exchange Balance – "Formation of External Assets of the Non-Financial Private Sector" section: https://web2.bcra.gob.ar/PublicacionesEstadisticas/Mercado_de_cambios.asp

As Figure 2 shows, Argentine families and companies buy an enormous amount of dollars for savings annually. In 2019, this amount even exceeded the total reserves of the central bank. Complementing Figure 2, Table 1 shows the net values of these purchases between 2003 and 2023. The fifth and sixth columns show the percentages of these purchases relative to the national GDP and to the central bank reserves. Although data before 2003 are unavailable, the series clearly shows that the purchase of dollars for hoarding is a constant and generally growing trend in Argentina, interrupted only during periods of strict exchange controls (see the gray-colored rows in Table 1), in which the purchase of dollars is channeled mostly through the black market of the "blue dollar" for which there are no estimates. For example, in 2019, just before President Alberto Fernández reintro-

Figure 3 Dollar purchases by families and companies versus total dollar deposits within the financial system, 2003–2023



Prepared by the author based on data published by the Central Bank of Argentina, the Ministry of Economy of Argentina, and the International Monetary Fund.

duced exchange controls in 2020, the net purchase of dollars for hoarding by families and companies amounted to 69.36 billion dollars, representing more than 1.5 times the central bank's reserves and 16 percent of the national GDP for that same year.

It should be noted that the amount of dollars kept outside the system far exceeds the dollar deposits remaining within the national financial system. During the same period, on average, dollar deposits were 11.60 billion dollars, with their highest value being 26.91 billion dollars in 2019 (see Figure 3).

Given that the habit has not changed even during periods of economic stability, Argentine families and companies' tendency to hoard dollars outside the national financial system seems to have become a standard practice, a tendency that has not only persisted but even grown. Since 2003, no government has been able to reverse this trend, except by introducing severe limits to private dollar purchases. Between 2003 and 2015 Argentines bought 225.50 billion dollars: 74.07 billion during Néstor Kirchner's presidency (2003–2007) and 128.37 billion during Cristina Kirchner's first presidency (2008–2011). Even with severe exchange restrictions, they managed to buy 23.06 billion dollars from the official market during her second presidency (2012–2015). During President Mauricio Macri's administration (2016–2019), Argentines bought 203.55 billion dollars, a record amount.

Another telling indicator of the magnitude of savings dollarization among Argentine families and companies is the US Federal Reserve's estimates of physical dollar holdings outside the United States. Although the last available report dates back to 2006, it shows Argentina in first place, as the country in the world with the highest amount of dollar holdings per capita (around 1,300 dollars per inhabitant, which is equivalent to

Table 2 Assets declared in 2016 Tax Amnesty (Law 27.260) by type and origin (in billions of USD)

	Value	
Asset type		% Total
Investments	55.90	47.9
Domestic	0.90	
Foreign	55.00	
Bank Accounts	33.60	28.8
Domestic	7.70	
Foreign	25.90	
Real Estate	20.50	17.6
Domestic	10.50	
Foreign	10.00	
Others	6.80	5.8
Total Abroad	93.30	79.9
Total Declared	116.80	

Prepared by the author based on Report from the Rosario Stock Exchange.

a total of fifty billion)[5]. Another clue comes from the tax amnesty carried out in 2016 under Macri's presidency. In this amnesty, Argentines declared 117 billion US dollars in unregistered assets, equivalent to more than 20 percent of that year's GDP[6] (see Table 2). It is worth noting that 79.9 percent of those assets were located abroad. The last report submitted by Argentina to the International Monetary Fund in March 2022 (Article IV), validates this figure, stating that in 2021, Argentina's gross external assets of private residents reached 370 billion US dollars.[7]

The safe deposit box market

As I have already pointed out, most Argentines keep part of their savings liquid and in dollars. This practice is so common that the local financial system has adapted to it by offering a peculiar method allowing citizens to keep their savings inside the bank without formally depositing them in an account. Initially conceived for people to store their

5 See the report "The Use and Counterfeiting of United States Currency Abroad," published by the Department of the Treasury, Board of Governors of the Federal Reserve System, United States. Accessed 28.08.2024. Available at: https://www.federalreserve.gov/boarddocs/rptcongress/counterfeit/default.htm#toc3.3.4

6 Data obtained from the Rosario Stock Exchange Report. Accessed 28.08.2024. Available at: https://www.bcr.com.ar/es/mercados/investigacion-y-desarrollo/informativo-semanal/noticias-informativo-semanal/los-numeros

7 See IMF Country Report N° 22/92 "Staff Report for the 2022 Article IV Consultation." Accessed 28.08.2024. Available at: https://www.imf.org/en/Publications/CR/Issues/2022/03/25/Argentina-Staff-Report-for-2022-Article-IV-Consultation-and-request-for-an-Extended-515 742

jewelry and important documents, safe deposit boxes have been one of Argentina's most popular saving methods since at least the late 1980s. As Carlos, a branch manager at Banco de la Nación, pointed out, this market has existed for decades. However, it flourished in 1989 (after the Plan Bonex) and became even stronger in 2001 (after the Corralito). "When savings were confiscated, many people stopped saving in banks because of distrust in governments. But since people don't want to keep their money at home either because of robberies, they started using safe deposit boxes to keep cash dollars. That way, the money is in the bank without being part of its deposits. Officially, the bank does not know what is in each box."[8]

Thanks to this flourishing market, Argentines' money is kept inside banks, protected from potential thieves. However, since it is stored in physical form, as dollar bills deposited inside safes, this money is not bank money within the Argentine financial system, but remains a liability of the US Federal Reserve. Although there are no official figures on the size of the market, it seems to be a booming business. Recent estimates calculate some 900,000 safe deposit boxes (one for every fifty-two people). The leading suppliers are public and private banks, although some security companies have recently started offering them, among them Hausler, Prosegur, Securitas, and G4S. The boxes come in different sizes. As Ana, Hausler's branch manager, pointed out: "There is a lot of demand. We do not have any more boxes now; there is a waiting list. We put up three modules a year ago, which sold out quickly." Although it is impossible to estimate the wealth Argentines have stored in these boxes with certainty, the figure does not seem negligible. The smallest box (thirty-two centimeters long by twenty-three centimeters wide and five centimeters thick) is estimated to be able to hold up to 200,000 dollars, with a monthly maintenance cost of 58 US dollars.[9]

5 Central bankers facing distrust

The effects of distrust on the Argentine economy are not only seen in the central bank's balance sheet or a flourishing market for safe deposit boxes. One of the most problematic effects of the Argentines' distrust in their currency is that it severely constrains central bankers' policy space. Distrust is a permanent source of suspicion toward the actions of public officials that reduces their room for maneuver, limiting their choice of policies and complicating their task of stabilizing expectations.

---

8 Interview with Carlos, a 65-year-old branch manager at Banco de la Nación Argentina. 02.05.2018.

9 Prices correspond to the automated gearboxes offered by Hausler: https://ecommerce.hausler.com.ar/. Consulted online on 29.08.2024.

The strong preference of Argentines to dollarize their savings exerts pressure to choose lax policies that allow unrestricted access to the foreign exchange market. Officials, aware of this pressure, are themselves continually debating two options: giving in to the constant demands of citizens eager to buy dollars or accepting the limitations of a macroeconomy that generates almost no genuine dollars, either because it does not export enough or can no longer borrow (Gaggero, Schorr, and Wainer 2014; Roos 2019). As Salvador, a former deputy general manager of the central bank, asserted, the main problem is that the Argentines' constant demand for dollars is not macroeconomically sustainable:

> On average, a million companies and individuals want to buy dollars to save all the time. All governments live with that. It is a reality of Argentine society. But in practice, this means that Argentina needs (in 2017 numbers) about 8.5 billion dollars to pay interest on its foreign debt, another 8.5 billion to repay tourism expenses abroad, and 48 billion dollars to satisfy the desire of those million Argentines who want to buy dollars to hoard them. Do you realize the size of the problem?

Cornered from all directions, public officials have no easy solution. Satisfying the permanent demand for dollars is difficult because the country does not have income in foreign currency that would allow it to satisfy this demand without going into (further) debt. And getting into debt is also difficult, since neither the International Monetary Fund nor private lenders are willing to finance capital flight with their money. But imposing restrictions is not easy either, mainly because restrictions further increase distrust. As Maximo, who was general manager of the central bank in 2011, confessed:

> When the central bank implemented the "cepo cambiario," [restrictions on dollar purchases between 2011 and 2015] there was a social explosion. People resisted it heavily. But it was a defensive measure because we had no dollars left, and nobody would lend us any. We had no choice but to tighten restrictions on dollar hoarding. And we decreed that it was no longer possible to buy dollars for no reason. You could still buy for something justified, like paying for imports, interest, medicines, etc. But the social turbulence was enormous!

Indeed, the "cepo cambiario" was so unpopular that, once again, it triggered Argentines' long-nurtured fears, unleashing a massive flight of deposits from the financial system. As Carmen, adviser to the central bank's board between 2010 and 2013, recalled:

> After we announced it was no longer possible to buy dollars without a justified reason, people feared their savings would be taken away. Many felt that bank accounts were not safe enough and decided to withdraw their dollars. I am talking about meager amounts: 3,000 or 4,000 dollars. For us, this was a very complicated period! In four weeks, the central bank had to deliver eight billion dollars in bills. It was unbelievable! We had to bring airplanes full of bills from the US Federal Reserve!

Indeed, President Cristina Kirchner's exchange controls were so unpopular that her political adversary Mauricio Macri managed to attract a non-negligible number of voters when he announced during his presidency campaign that, if he won, he would remove the exchange controls the day after taking office, a promise he kept. Unfortunately, though, the results he obtained for keeping his promise were not as expected. He won the October 2015 elections, but the exchange rate deregulation he put in place was so brutal that the central bank was defenseless against international speculative funds that, in April 2018, unleashed capital flight. Short of reserves, the central bank was forced, once again, to dramatically devalue the currency, generating a crisis so intense that it buried Macri's government only two years after it took office.

Far from being the makers and architects of the collective monetary imagery of Argentines, local central bankers are trapped by a distrustful society that imposes its demands and that "lives the purchase of dollars as a human right that must be granted."[10] Rather than a passing feeling that dissolves once the crisis is over, Argentines' distrust is a long-term feeling that does not dissipate but is strengthened with each new crisis, and does not disappear once it is over. As Amalia, an official still working at the central bank, pointed out, policymakers can do little against it:

> Distrust makes everything complicated! The main problem is people's memory that they once deposited something in a bank, and it was not returned. That idea keeps ringing constantly. Just like inherited fears. The ghosts that "This already happened to my grandfather" or "My dad already lost his savings." If only we civil servants had some magic drops to give to the people, and they would forget everything. Then we could start from scratch. But obviously, we cannot.

In Argentina, as the old adage runs, "it was easier to destroy trust than it is to destroy distrust" (Bertsou 2019, 225). Indeed, once installed, this distrust has been extremely difficult to counteract. Dispelling it will require a significant amount of time and effort precisely because the very nature of distrust is to avoid falling into situations that make us vulnerable again. Argentines buy and hoard US dollars because they no longer trust the peso or the state that issues it. And it will be difficult for central bankers to generate enough positive experiences to dispel such a deep-rooted conviction.

6 Conclusions

In this paper, I have shown how almost eight decades of monetary upheaval have convinced Argentines that their national currency is and will be worthless. This strong belief, which I call the distrust narrative, is composed of three intertwined, mutually reinforcing principles that dictate that a) the monetary authorities have neither the expertise nor the will to fulfill their mandate to keep the value of money stable; b) that banks and other entities in the domestic financial system have failed to protect the worth of savings; and c) that Argentines' money will be better safeguarded if held in dollars outside the domestic financial system.

10 Interview with Edmundo, director of Banco de la Nación Argentina between 2012 and 2015. Buenos Aires 23.05.2018.

As I showed, this deep-rooted and long-lasting distrust is a resilient belief that survives individual crises and allows Argentines to cope with the uncertainty inherent to a continuously unstable economy. Distrust thus becomes anticipation that shapes action, a negative assumption that leads subjects to expect there to be no escape from recurrent crises, which sooner or later will lead to the devaluation of money and savings. The memory of extreme losses remains a traumatic memory, as fear continues to shape most Argentines' savings habits. The distrust narrative thus induces actors to overlook moments of stability but amplifies every economic shock. Thus, even in those moments when the economy is stable, Argentines dollarize their savings and flee the financial system, in their eagerness to put them beyond the reach of the state. An indication of this is that the purchase of dollars is a growing trend in Argentina, which has only been moderated by governments through strict exchange controls, which, paradoxically, reinforced distrust.

The spiral of suspicion inspires defensive saving behaviors, creating a vicious circle of distrust that is difficult to break. Obsessed with protecting themselves from new losses, Argentines avoid putting themselves in a position of vulnerability again. Because of their behavior, however, they do not generate new positive experiences that allow their distrust to dissipate, nor do they provide opportunities for policymakers to dispel it. Imprisoned in the distrust circle, central bankers are trapped in a cyclical and self-reinforcing dynamic that limits their capacity to govern Argentine's collective monetary imaginaries and sustain the structure of expectations and beliefs needed to implement stabilizing macroeconomic policies successfully. Argentines' distrust in money thus fuels an unstoppable vicious circle of instability, inflation, devaluation, and crises that neither individuals nor policymakers know how to stop.

In Germany, the memory of past fiscal and financial crises gave birth to a culture of stability famous worldwide for its excessive aversion to inflation and its emphasis on fiscal austerity. In Argentina, by contrast, the memory of traumatic economic losses gave rise to a deep-seated and persistent distrust directed mainly toward the state and banks. While central bankers strived to reverse the effects of past bad policies and attempted to recreate monetary stability, their lack of control over monetary imaginaries hampers the results they can achieve. Argentina is thus a living testimony of how radical distrust in a currency can produce destabilizing, long-lasting, and self-reinforcing effects that persist over generations.

References

Abolafia, Mitchel. 2010. "Narrative Construction as Sensemaking: How a Central Bank Thinks." *Organization Studies* 31 (3): 349–67.

Aglietta, Michel. 2018. *Money: 5,000 Years of Debt and Power*. Verso Books.

Aglietta, Michel, and André Orléan. 1990. *La violencia de la moneda*. Coyoacán, México: Siglo XXI.

Alami, Ilias, Carolina Alves, Bruno Bonizzi, Annina Kaltenbrunner, Kai Koddenbrock, Ingrid Kvangraven, and Jeff Powell. 2023. "International Financial Subordination: A Critical Research Agenda." *Review of International Political Economy* 30 (4): 1360–86.

Angino, Siria, Federico Ferrara, and Stefania Secola. 2022. "The Cultural Origins of Institutional Trust: The Case of the European Central Bank." *European Union Politics* 23 (2): 212–35.

Barkhausen, David, and Sebastian Teupe. 2023. "The German Inflation Trauma: Weimar's Policy Lessons Between Persistence and Reconstruction." *Working Papers of the Priority Programme 1859 "Experience and Expectation. Historical Foundations of Economic Behaviour"* No. 40, Humboldt University Berlin, Berlin.

Beckert, Jens. 2013. "Imagined Futures: Fictional Expectations in The Economy." *Theory and Society* 42 (3): 219–40.

Beckert, Jens, and Richard Bronk, eds. 2019. *Uncertain Futures: Imaginaries, Narratives, and Calculative Technologies.* Oxford: Oxford University Press.

Bertsou, Eri. 2019. "Rethinking Political Distrust." *European Political Science Review* 11 (2): 213–30.

Best, Jacqueline. 2019. "The Inflation Game: Targets, Practices and the Social Production of Monetary Credibility." *New Political Economy* 24 (5): 623–40.

Binder, Carola. 2017. "Fed Speak on Main Street: Central Bank Communication and Household Expectations." *Journal of Macroeconomics* 52: 238–51.

Blinder, Alan. 2009. "Talking About Monetary Policy: The Virtues (and Vice?) of Central Bank Communication." *BIS Working Papers* No. 274, Bank for International Settlements, Basel, Switzerland.

Braun, Benjamin. 2015. "Governing the Future: The European Central Bank's Expectation Management During the Great Moderation." *Economy and Society* 44 (3): 367–91.

Braun, Benjamin. 2016. "Speaking to the People? Money, Trust, and Central Bank Legitimacy in the Age of Quantitative Easing." *Review of International Political Economy* 23 (6): 1064–92.

Carruthers, Bruce, and Sarah Babb. 1996. "The Color of Money and the Nature of Value: Greenbacks and Gold in Postbellum America." *American Journal of Sociology* 101 (6): 1556–91.

Cassar, Dylan. 2024. "Economics as Intervention: Expert Struggles Over Quantitative Easing at the Bank of England." *Socio-Economic Review* 22 (3): 1225–54.

Coombs, Nathan. 2022. "Narrating Imagined Crises: How Central Bank Storytelling Exerts Infrastructural Power." *Economy and Society* 51 (4): 679–702.

Corso, Eduardo. 2015. "Ambigüedad y decisiones de cartera." PhD diss., Facultad de Ciencias Económicas, Universidad de Buenos Aires.

Ehrmann, Michael, Michel Soudan, and Livio Stracca. 2013. "Explaining European Union Citizens' Trust in the European Central Bank in Normal and Crisis Times." *The Scandinavian Journal of Economics* 115 (3): 781–807.

Fligstein, Neil, Jonah S. Brundage, and Michael Schultz. 2014. "Why the Federal Reserve Failed to See the Financial Crisis of 2008: The Role of 'Macroeconomics' as a Sense-Making and Cultural Frame." *IRLE Working Paper* No. 111-14, Institute for Research on Labor and Employment, Berkeley.

Frieden, Jeffry. 2016. *Lessons for the Euro from Early American Monetary and Financial History*. Brussels: Bruegel.

Gaggero, Alejandro, Martín Schorr, and Andrés Wainer. 2014. *Restricción eterna: El poder económico durante el Kirchnerismo*. Buenos Aires: Futuro Anterior Ediciones.

Giddens, Anthony. 1991. *The Consequences of Modernity*. Cambridge: Polity Press.

Giddens, Anthony. 1994. “Risk, Trust, Reflexivity.” In *Reflexive Modernization: Politics, Tradition and Aesthetics in the Social Modern Order,* edited by Ulrich Beck, Anthony Giddens, and Scott Lash, 184–97. Cambridge: Polity Press.

Golub, Stephen, Ayse Kaya, and Michael Reay. 2015. “What Were They Thinking? The Federal Reserve in the Run-Up to the 2008 Financial Crisis.” *Review of International Political Economy* 22 (4): 657–92.

Haldane, Andrew, Alistair Macaulay, and Michael McMahon. 2020. “The Three E’s of Central-Bank Communication with the Public.” *Staff Working Paper* No. 847, Bank of England, London.

Haldane, Andrew, and Michael McMahon. 2018. “Central Bank Communications and the General Public.” *AEA Papers and Proceedings* 108: 578–83.

Hayo, Bernd. 1998. “Inflation Culture, Central Bank Independence and Price Stability.” *European Journal of Political Economy* 14 (2): 241–63.

Hayo, Bernd, and Edith Neuenkirch. 2014. “The German Public and Its Trust in the ECB: The Role of Knowledge and Information Search.” *Journal of International Money and Finance* 47: 286–303.

Holmes, Douglas. 2009. “Economy of Words.” *Cultural Anthropology* 24 (3): 381–419.

Howarth, David, and Charlotte Rommerskirchen. 2013. “A Panacea for All Times? The German Stability Culture as Strategic Political Resource.” *West European Politics* 36 (4): 750–70.

Johnson, Juliet. 2000. *A Fistful of Rubles: The Rise and Fall of the Russian Banking System*. Ithaca: Cornell University Press.

Johnson, Juliet. 2022. “Show Me the Money: Performing Stability in Central Bank Museums.” Public Lecture, Goethe University Frankfurt, Frankfurt a.M., May 11.

King, Michael. 2005. “Epistemic Communities and the Diffusion of Ideas: Central Bank Reform in the United Kingdom.” *West European Politics* 28 (1): 94–123.

Levy Yeyati, Eduardo, and Federico Sturzenegger. 2003. *Dollarization: Debates and Policy Alternatives*. Cambridge: MIT Press.

Lewis, J. David, and Andrew Weigert. 1985. “Trust as a Social Reality.” *Social Forces* 63 (4): 967–85.

Luzzi, Mariana. 2013. “La moneda en cuestión: del estallido de la convertibilidad a las discusiones sobre el ‘cepo cambiario.’” In *La grieta: Política, economía y cultura después de 2001*, edited by Sebastián Pereyra, Gabriel Vommaro, and Germán Pérez, 195–209. Buenos Aires: Biblos.

Luzzi, Mariana, and Ariel Wilkis. 2019. *El dólar: Historia de una moneda argentina (1930–2019)*. Buenos Aires: Crítica.

Luhmann, Niklas. 1982. *Trust and Power*. Hoboken, NJ: Wiley.

Maman, Daniel, and Zeev Rosenhek. 2009. “The Contested Institutionalization of Policy Paradigm Shifts: The Adoption of Inflation Targeting in Israel.” *Socio-Economic Review* 7 (2): 217–43.

Moreno, Guadalupe. 2020. “Working Fictions of Money: The Making of Currency (Dis)Trust in Argentina (1880–2020).” PhD diss., University of Cologne, Cologne.

Moschella, Manuela. 2024. *Unexpected Revolutionaries: How Central Banks Made and Unmade Economic Orthodoxy.* Ithaca: Cornell University Press.

Moschella, Manuela, Luca Pinto, and Nicola Martocchia Diodati. 2020. “Let’s Speak More? How the ECB Responds to Public Contestation.” *Journal of European Public Policy* 27 (3): 400–408.

Muir, Sarah. 2015. “The Currency of Failure: Money and Middle-Class Critique in Post-Crisis Buenos Aires.” *Cultural Anthropology* 30 (2): 310–35.

Neiburg, Federico. 2010. “Sick Currencies and Public Numbers.” *Anthropological Theory* 10 (1–2): 96–102.

Orléan, André. 2008. “Monetary Beliefs and the Power of Central Banks.” in *Central Banks as Economic Institutions*, edited by Jean Philippe Touffut, 7–21. Cheltenham: Edward Elgar.

Orléan, André. 2014. *The Empire of Value: A New Foundation for Economics*. Cambridge: MIT Press.

Polillo, Simone. 2023. “Crisis, Reputation, and the Politics of Expertise: Fictional Performativity at the Bank of Italy.” *Review of Social Economy* 81 (3): 342–62.

Redecker, Nils, Lukas Haffert, and Tobias Rommel. 2019. “Misremembering Weimar: Unpacking the Historic Roots of Germany’s Monetary Policy Discourse.” *Jacques Delors Centre Policy Paper* 2, Hertie School, Berlin.

Roos, Jerome. 2019. *Why Not Default? The Political Economy of Sovereign Debt*. Princeton: Princeton University Press.
Roth, Felix. 2009a. "The Effect of the Financial Crisis on Systemic Trust." *Intereconomics* 44 (4): 203–8.
Roth, Felix. 2009b. "Who Can Be Trusted After the Financial Crisis?" *CEPS Working Document* No. 322, Centre for European Policy Studies, Brussels.
Roth, Felix, Daniel Gros, and Felicitas Nowak-Lehmann. 2014. "Crisis and Citizens' Trust in the European Central Bank: Panel Data Evidence for the Euro Area, 1999–2012." *Journal of European Integration* 36 (3): 303–20.
Singleton, John. 2010. *Central Banking in the Twentieth Century*. Cambridge: Cambridge University Press.
Sørensen, Anders. 2015. "Banking on the Nation: How Four Danish Central Bank Governors Used and Reproduced the Logics of National Identity." *International Journal of Politics, Culture, and Society* 28: 325–47.
Théret, Bruno, ed. 2007a. *Crises monétaires d'hier et d'aujourd'hui,* volume 1 of: *La monnaie dévoilée par ses crises*. Paris: Éditions de l'École des Hautes Études en Sciences Sociales.
Théret, Bruno, ed. 2007b. *Crises monétaires en Russie et en Allemagne au XXe siècle,* volume 2 of: *La monnaie dévoilée par ses crises*. Paris: Éditions de l'École des Hautes Études en Sciences Sociales.
Théret, Bruno. 2015. "El trípode de la moneda: Deuda, soberanía y confianza." In *El laberinto de la moneda y las finanzas: La vida social de la economía*, edited by Ariel Wilkis and Alexandre Roig, 67–83. Buenos Aires: Biblos.
van't Klooster, Jens, and Clément Fontan. 2020. "The Myth of Market Neutrality: A Comparative Study of the European Central Bank's and the Swiss National Bank's Corporate Security Purchases." *New Political Economy* 25 (6): 865–79.
Velthuis, Olav. 2015. "Making Monetary Markets Transparent: The European Central Bank's Communication Policy and Its Interactions with the Media." *Economy and Society* 44 (2): 316–40.
Walter, Timo, and Leon Wansleben. 2020. "How Central Bankers Learned to Love Financialization: The Fed, the Bank, and the Enlisting of Unfettered Markets in the Conduct of Monetary Policy." *Socio-Economic Review* 18 (3): 625–53.
Wansleben, Leon. 2018. "How Expectations Became Governable: Institutional Change and the Performative Power of Central Banks." *Theory and Society* 47 (6): 773–803.
Wansleben, Leon. 2023. *The Rise of Central Banks: State Power in Financial Capitalism*. Cambridge, MA: Harvard University Press.
Wray, Randall. 2002. "Modern Money." In *What Is Money?*, edited by John Smithin, 42–66. New York: Routledge.
Zayim, Ayca. 2020. "Inside the Black Box: Credibility and the Situational Power of Central Banks." *Socio-Economic Review* 20 (2): 759–89.

Appendix

Interviews

Inter-view	Alias*	Date	Description of the interviewee	Age	Type of interview
Middle class savers					
00001	Jacobo	09.04.2018	Businessmen (real estate)	64	Telephone interview
00002	Roque	27.04.2018	Businessmen (agriculture)	67	Personal interview
00003	José	28.04.2018	Businessmen (construction)	64	Personal interview
00004	Hernan	16.06.2018	Businessmen (agriculture)	61	Personal interview
00005	Mario	11.05.2018	Businessmen (textil industry)	68	Personal interview
00006	Julia	21.05.2018	Employee in private company	65	Personal interview
00007	Gustavo	01.06.2018	Employee in private company (IT services)	49	Personal interview
00008	Gastón	31.05.2018	Scientist-researcher	42	Personal interview
00009	Rubén	02.06.2018	State worker (IT services)	49	Personal interview
00010	Diana	04.06.2018	Scientist-researcher	47	Personal interview
00011	Viviana	05.06.2018	Scientist-researcher	38	Personal interview
00012	Miguel	07.06.2018	Scientist-researcher	43	Personal interview
00013	Fiona	10.06.2018	Entepreneur (commerce)	36	Personal interview
00014	Anselmo	27.04.2018	Lawyer (law firm)	71	Personal interview
00015	Lila	01.05.2018	Medical doctor (private and public health services)	74	Personal interview
00016	Alberto	01.05.2018	Medical doctor (private and public health services)	82	Personal interview
00017	Silvia	01.05.2018	Biochemist (private health company)	73	Personal interview
00018	Mateo	10.06.2018	Employee in private company (electrician)	34	Personal interview
00019	Manuel	11.06.2018	Employee in private company (electrician)	60	Personal interview
00020	Fernanda	12.06.2018	Former secretary, now housewife	63	Personal interview
00021	Ludmila	13.06.2018	Store clerk (commerce)	25	Personal interview
00022	Paola	14.06.2018	School teacher (retired)	64	Personal interview
00023	Malena	15.06.2018	Social worker (public health service)	44	Personal interview
00024	Leonor	14.06.2018	Psychologist (public health service)	51	Personal interview
00025	Adela	13.06.2018	School teacher	46	Personal interview
00026	Eugenia	04.05.2018	Veterinarian	40	Personal interview
00027	Valeria	12.06.2018	Scientist-researcher	42	Personal interview
00028	Rocío	11.06.2018	Social Worker (public health service)	56	Personal interview
00029	Elena	15.06.2018	Independent businesswoman	36	Personal interview
Financial advisors and bank employees					
00030	Cesar	24.04.2018	President of investment company (AXIS)	63	Personal interview
00031	Gonzalo	24.04.2018	Vice President of investment company (AXIS)	62	Personal interview
00032	Valentin	22.05.2018	Advisor at investment company (ADCAP)	43	Personal interview
00033	Norberto	03.01.2019	Investment decision maker at insurance company (AFFIDAVIT)	41	Personal interview
00034	Ismael	17.05.2018	President of investment company (INVERTIR ONLINE)	47	Personal interview
00035	Leopoldo	31.05.2018	President of credit card network (VISA Argentina)	70	Personal interview
00036	Miguel	29.05.2018	Private banking advisor (Banco ITAÚ)	66	Personal interview
00037	Esther	11.05.2018	Manager of bank branch (Banco Galicia)	65	Personal interview
00038	Carlos	02.05.2018	Manager of bank branch (Banco de la Nación Argentina)	65	Personal interview
00039	Rolando	27.03.2018	Employee at bank branch (Banco Credicop)	45	Personal interview
00040	Pedro	23.04.2018	Real estate investment advisor (CBRE)	51	Personal interview
00041	Tito	23.04.2018	Real estate investment advisor (CBRE)	40	Personal interview
00042	Walter	14.02.2018	Independent accountant and financial advisor	67	Personal interview
00043	Waldemar	25.04.2018	Independent accountant and financial advisor	67	Personal interview
00044	Ernesto	24.04.2018	Independent financial advisor	44	Personal interview
00045	Silvio	10.05.2018	Professor of finance (UCEMA) and independent financial advisor	68	Personal interview
00046	Jairo	16.05.2018	Professor of finance (UCEMA) and independent financial advisor	59	Personal interview
00047	Julio	23.03.2018	Professor of finance and researcher (FLACSO)	48	Personal interview
00048	Miranda	11.05.2018	Coordinator of a microcredit network (RADIM)	66	Personal interview
00049	Ana	29.08.2024	Branch manager at Hausler private security deposit bboxes (HAUSLER)	49	Telephone interview

Policymakers and economic experts				
00050	Fausto	21.05.2018	Central Bank of Argentina – President (1966)	Personal interview
00051	Miriam	23.05.2023	Central Bank of Argentina – President (2010–2013)	Personal interview
00052	Gaspar	28.05.2018	Central Bank of Argentina – Directory Board member (2013–2016)	Personal interview
00053	Patricio	08.05.2018	Central Bank of Argentina – Directory Board member (2014–2017)	Telephone interview
00054	Maximo	19.04.2018	Central Bank of Argentina – General Manager (2010–2013)	Personal interview
00055	Salvador	18.04.2018	Central Bank of Argentina – Legal Affairs Manager (2010–2013)	Personal interview
00056	Ariel	17.05.2018	Central Bank of Argentina – Treasurer (1989)	Personal interview
00057	Carmen	22.05.2018	Central Bank of Argentina – Advisor to the Board of Directors (2010–2013)	Personal interview
00058	Renato	18.04.2018	Central Bank of Argentina – Employee (foreign assets)	Telephone interview
00059	Amalia	19.04.2018	Central Bank of Argentina – Employee (banks)	Personal interview
00060	Emilio	19.05.2018	Central Bank of Argentina – Employee (banks)	Personal interview
00061	Esteban	23.05.2018	Central Bank of Argentina – Director (research department)	Personal interview
00062	Dante	21.05.2018	Ministry of Economy – Chief Economic Advisor (Plan Austral, 1986)	Personal interview
00063	Jesus	15.05.2018	Researcher (CEFID.AR)	Personal interview
00064	Pilar	20.04.2018	Researcher (CEFID.AR)	Personal interview
00065	Abel	26.03.2018	Researcher (CONICET)	Personal interview
00066	Alcidez	28.05.2018	Researcher (CONICET)	Personal interview
00067	Edmundo	23.03.2018	Banco de la Nación Argentina – President (2012–2015)	Personal interview
00068	Yolanda	19.04.2018	Federal Tax Collection Agency – Employee (AFIP)	Telephone interview
00069	Ulises	18.05.2018	Economic journalist	Personal interview
00070	Lorenzo	15.05.2018	Economic journalist	Personal interview

* In accordance with data protection clauses, names have been replaced by aliases to protect the identity of those interviewed.

Recent Titles in the Publication Series of the MPIfG

MPIfG Discussion Papers

DP 25/2
E. Soer
Neoliberalism's True Heirs: What Late-Apartheid South Africa Can Teach Us About the Contemporary Far Right

DP 25/1
P. Gannon, D. Pullan
Sanctuaries, Islands, and Deserts: A Typology of Regionalized Abortion Policy

DP 24/9
S. Hadziabdic, S. Kohl
Firm Size and Society: The Link Between Firm Size, Job Outcomes, and Political Attitudes

DP 24/8
D. Di Carlo, A. Ciarini, A. Villa
Between Export-Led Growth and Administrative Keynesianism: Italy's Two-Tiered Growth Regime

DP 24/7
C. Locatelli
Mind the Output Gap
The New Technocratic Politics of EU Fiscal Rules in Italy

DP 24/6
F. Bulfone, T. Ergen, E. Maggor
The Political Economy of Conditionality and the New Industrial Policy

DP 24/5
J. Beckert
What Makes an Imagined Future Credible?

DP 24/4
J. Beckert, L. Arndt
The Greek Tragedy: Narratives and Imagined Futures in the Greek Sovereign Debt Crisis

DP 24/3
H. M. Schwartz
Triffin Reloaded: The Matrix of Contradictions around Global Quasi-State Money.

DP 24/2
A. v. d. Heide
Dealing Government Bonds: Trading Infrastructures and Infrastructural Power in European Markets for Public Debt

DP 24/1
A. Maschke
Talking Exports: The Representation of Germany's Current Account in Newspaper Media

DP 23/6
T. Ergen, L. Schmitz
The Sunshine Problem: Climate Change and Managed Decline in the European Union

DP 23/5
I. Stamm, A. Sandham
A Bitter Adjustment for German Family Capitalism: Succession and a Changing Ownership Transfer Regime

MPIfG Books

H. Pool
The Game: The Economy of Undocumented Migration from Afghanistan to Europe
Oxford University Press, 2025

B. Hancké, T. Van Overbeke, D. Voss
Understanding Political Economy: Capitalism, Democracy and Inequality
Edward Elgar, 2025

J. Beckert
Verkaufte Zukunft: Warum der Kampf gegen den Klimawandel zu scheitern droht
Suhrkamp, 2024

G. Rilinger
Failure by Design: The California Energy Crisis and the Limits of Market Planning
Chicago University Press, 2024

W. Streeck
Taking Back Control? States and State Systems After Globalism
Verso, 2024

S. Rapic (Hg.)
Wege aus dem Kapitalismus? Autorengespräche mit Colin Crouch, Nancy Fraser, Claus Offe, Wolfgang Streeck und Joseph Vogl
Nomos, 2023

B. Bremer
Austerity from the Left: Social Democratic Parties in the Shadow of the Great Recession
Oxford University Press, 2023

L. Wansleben
The Rise of Central Banks: State Power in Financial Capitalism
Harvard University Press, 2023

Ordering Information

MPIfG Discussion Papers
Order printed copies from the MPIfG or download PDF files from the MPIfG website (free).

MPIfG Books
At bookstores; abstracts on the MPIfG website.

www.mpifg.de
Go to "Publications."

New Titles

Consult our website for the most complete and up-to-date information about MPIfG publications and publications by MPIfG researchers. To sign up for newsletters and mailings, please go the MPIfG website. On request to info@mpifg.de, we will be happy to send you our "Recent Publications" brochure.

Das Max-Planck-Institut für Gesellschaftsforschung ist eine Einrichtung der Spitzenforschung in den Sozialwissenschaften. Es betreibt anwendungsoffene Grundlagenforschung mit dem Ziel einer empirisch fundierten Theorie der sozialen und politischen Grundlagen moderner Gesellschaftsordnungen. Im Mittelpunkt steht die Untersuchung der Zusammenhänge zwischen ökonomischem, sozialem und politischem Handeln. Mit einem vornehmlich institutionellen Ansatz wird erforscht, wie Märkte, Unternehmen und die Regulation der Wirtschaft in historische, politische und kulturelle Zusammenhänge eingebettet sind, wie sie entstehen und wie sich ihre gesellschaftlichen Kontexte verändern. Das Institut schlägt eine Brücke zwischen Theorie und Politik und leistet einen Beitrag zur politischen Diskussion über zentrale Fragen moderner Gesellschaften.

The Max Planck Institute for the Study of Societies conducts basic research on the governance of modern societies. It aims to develop an empirically based theory of the social and political foundations of modern economies by investigating the interrelation between economic, social, and political action. Using a variety of approaches and research methods, it examines how markets and business organizations are embedded in historical, institutional, political, and cultural frameworks, how they develop, and how their social contexts change over time. The Institute seeks to build a bridge between theory and policy and to contribute to political debate on major challenges facing modern societies.