

1 ECONOMIC LIFE AS AN INSTITUTIONAL PROCESS

In *'The Lottery in Babylon'*, the Argentine writer Jorge Luis Borges describes a world in which nobody has a fixed position in society.¹

Like all men in Babylon, I have been proconsul; like all, a slave. I have also known omnipotence, opprobrium, imprisonment. I owe this almost atrocious variety to an institution which other republics do not know or which operates in them in an imperfect and secret manner: the Lottery. I have not looked into its history. I come from a dizzy land where the lottery is the basis of reality.

In the story, while the Lottery started out like any typical lottery, it evolved into one which not only gives prizes to the winners, but also inflicts consequences on the losers. Further evolution increased its complexity; the Lottery Company has total power and everyone participates. If fortune smiles on the player, he or she can win promotion into the councils of authority. On the other hand, if the player makes a bad choice, different kinds of infamy follow. The Lottery Company dictates all aspects of everyone's life. There are various conjectures on how it started:

Some said the Company had not existed for centuries and that the sacred disorder of our lives is purely hereditary, traditional. Another judges it eternal and teaches that it will last until the last night. Babylon is nothing else than an infinite game of chance.

For most readers of *'The Lottery in Babylon'*, such an uncertain social life seems atrocious. While there is a structure and an order in that society, they are quite unbearable for the majority of people in the world. Still, in the 1990s life in Argentina was a microcosm of that in Borges' Babylon. Reforms inspired by the neoliberal policies of the government established the 'capitalist market' as the basis of reality. The state retreated, giving comprehensive powers to 'the Market', in the belief that it would create a powerful and efficient economy. The government had enough support at that point to impose the reforms. The goal was to unleash 'market forces', but no one questioned how the market started, who was behind it, and what its limits should be, even though it affected everyone's lives.

By the turn of the millennium, an economic meltdown thrust more than half of the population under the poverty line in a country where extreme poverty had been virtually unknown 25 years earlier. Owners of firms became homeless after their businesses went bankrupt. Doctors turned taxi drivers after clinics closed down or hospitals had to 'downsize' by slashing the number of their personnel. Retired teachers turned street vendors after they could no longer survive on their public pensions.

A difference is that Borges does not describe how individuals react and use their ingenuity to lift themselves out of disaster in Babylon. In the real world, however, Argentine civil society gradually built institutions to oppose the neo-liberal reforms and to reconstruct social life. As Robert Polanyi observes, the economy is an institutional process² and this implies that social groups can construct, reconstruct and change institutions, inspired by those gone or still present. In this way, agents can eventually recreate a social agreement that allows them to resume their economic activity, although under a different modality.

Agents in Argentina reacted indeed. They put together various economic schemes to partially restructure what they considered social or economic life 'as it used to be' and save whatever they could of their crumbled lifestyle. Among these schemes there was a set of complementary currency systems called *Redes de Trueque*, or Barter Networks. They were networks of local markets where the bankrupt entrepreneur, unemployed doctor and disenfranchised teacher met to exchange their self-produced goods and services. They were one of the new forms of income generation, with a stronger economic element and a weaker political resistance component than other alternative schemes. In a strict sense there was no barter involved in them but means of payment in the form of physical scrip called *créditos*. These were created by the organizers and voluntarily accepted by participants. Participants hence turned their backs on the regular economy and its currency, which was excluding them.

The creation of complementary currency systems is far from a novelty in the history of financial crisis. Irving Fisher described several experiments with 'stamp scrip' during the Great Depression in the USA and in Germany and Austria during the 1920s.³ Most groups using stamp scrip were inspired by Sylvio Gesell and his ideas of monetary reform. In order to reduce hoarding, Gesell proposed to create a *schwundgeld*: depreciative money or money that disappears, because it loses its value as time goes by.⁴

The *Redes de Trueque*, however, were not created as *schwundgeld* but with stable face value. In fact, the Argentine organizers had no knowledge of either previous or current experiences with complementary currency systems like the one they had launched. They were also not acquainted with Gesell's ideas; they were much later.

There are further differences between the *Redes de Trueque* in Argentina, on the one hand, and past and present complementary currencies systems around the world, on the other. In comparison with other CCS operating in current times, the *Redes de Trueque* were much larger in amount of participants, number of local markets, variety of currencies used, territorial coverage, diversity of products and services traded, and social groups involved. The *RT* reached more than 2.5 million users in the beginning of 2002, which represented 20 per cent of the economically active population in twenty-two of Argentina's twenty-three provinces. Annual turnover was estimated at its peak in 1,000 million Argentine pesos (until the devaluation in January 2003 this was equal to 1,000 million American dollars, and after that, to 300 million American dollars). Organizers claimed that individual members' consumption increased by 600 dollars a month, while the minimum wage was half that amount.⁵

In relation to the extended complementary currency systems in the USA and Europe in the 1920s and 1930s, the main difference was organizational: the *Redes de Trueque* were regional and national networks articulating local markets called *Clubes de Trueque* (*CT* or Barter Clubs). Each *Red de Trueque* (barter network) issued its own currency which was normally accepted in other networks too, so it was possible to pay for goods and services with the same scrip across the whole country. For some time there was an umbrella organization checking each others' monies; the rest of the time, scrip was accepted simply out of trust in the system. Similar integration has been attempted less successfully on a regional level in places such as Manchester, UK, where it led to loss of local identity.⁶ Nowhere has an attempt been made to create a national, private, yet not-for-profit monetary system as was the *RT*.

How this parallel economy came to be needs to be explained. A common view is that it emerged out of the economic demise in Argentina and would disappear as the regular economy rebounds. Indeed, the health of the regular economy has a major impact on the fate of the *Trueque*, but it is not as straightforward as this common sense explanation indicates. First of all, the timeline does not correspond to the intuition: the *RT* plummeted during the economic crisis, when it would still take some months for economic recovery to gather steam. In turn, the *RT* grew together with the regular economy in several years (1996, 1997 and 1998). Most important, since 2004 the *RT* remains in a plateau, unaware of the vigorous growth of the Argentine economy. Far from disappearing, there are still thousands of participants keeping the *Redes de Trueque* alive and it is still the largest CCS in the world at present. Why do they keep participating in *Clubes de Trueque* that are still running?

There is also the issue that other countries experienced similar economic reforms and levels of unemployment but complementary currency systems did

not emerge in them. If economic demise was all it takes for a massive community currency system to appear, then they should be more common.

The argument clearly needs to be refined. The rise and decline of the *Redes de Trueque* in Argentina call for closer scrutiny than simply explaining them as the 'offspring of a deep crisis'.

Within financial history, the *Redes de Trueque* were quite an exceptional phenomenon that challenges the conception of money as a creature of modern states or as emerging out of a commodity backing up scrip. The *créditos* were money issued and managed by communities and their leaders, somehow replacing the regulatory functions of the state. They are fully a social construction, as Ingham argues, an institution.⁷ The *Redes de Trueque* emerged out of the reaction of social groups wanting to reconstruct their economies as 'institutional processes' and hence organized money, markets, and rules to regulate action.

Previous research on the *Redes de Trueque* has overlooked this process of institutional construction and design. The main reason for this is that most studies take one or a few *Clubes de Trueque* as the unit of analysis and cover specific aspects at certain points in time. The focus is mostly on the participants, their motivations and the impact on households. The data gathered are ethnographic and collected through interviews. This study attempts a wider coverage, looking at the *Redes de Trueque* as a large organizational form. The next section sums up the main findings of research on the *RT* so far. The following one explores the view of *Redes de Trueque* as an institutional construction.

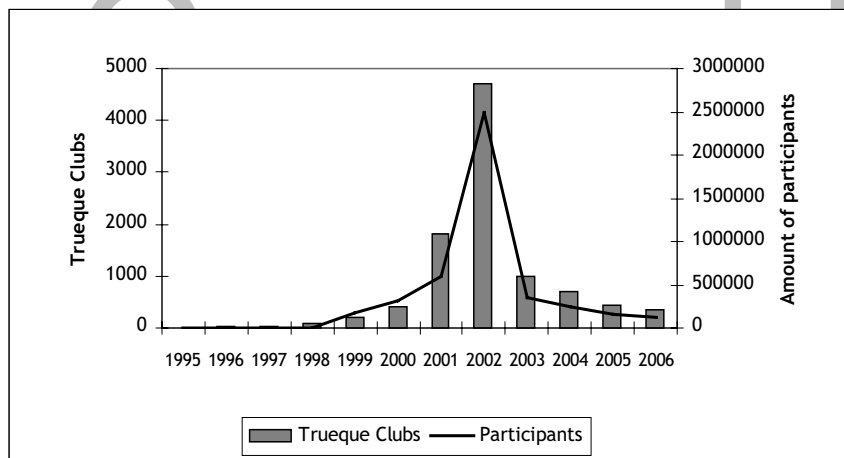
This book attempts a wider coverage and focuses on explaining the *Redes de Trueque* at the organizational or meso level. Why did the *RT* emerge in Argentina and last for twelve years, during depression and recovery? Why did they achieve a scale and scope unpaired to other CCS in current times and with an organizational form that was never tried elsewhere before? Why did they collapse immediately after their peak and why was the slump unequal between networks? What are the rationales for their functioning, in comparison with the regular economy?

Introduction to the Argentine *Redes de Trueque*

There has been substantial analysis of the *Redes de Trueque* by Argentine researchers. There are also several unpublished theses by undergraduate and MA students around the world, only some of which are cited in this study because of the difficulty in accessing them. Most of the research was conducted around 2001 and 2002, at the peak of the *RT*. A book came out at that time out of a workshop organized in September 2002 by the Universidad Nacional de General Sarmiento with UNDP support. The main leaders of the sub-networks, practitioners, government representatives and academic experts took part in the workshop and the proceedings were compiled in an edited volume.⁸

Most research on the *Trueque* recounts the following history. The first CCS in Argentina was created in 1995 under the name *Club de Trueque* (henceforth *CT*). The idea was to make use of idle resources such as the time available to the unemployed, a variety of skills for which there was no demand in the regular market and unproductive plots of land in the neighbourhood. The scheme was almost too obvious: a small group of people met once a week to exchange goods they produced themselves, such as garden vegetables, handicrafts, home-made toiletries and foods, knitwear, and so forth.⁹ By reconnecting production and consumption, participants became prosumers, a term coined by Alvin Toffler.¹⁰ The initiative proved helpful for the impoverished middle class in the area of Bernal, a suburb in southern Buenos Aires. News of it spread by word of mouth and the number of participants multiplied quickly. The *CT* was replicated across the country at a pace that accelerated as the national crisis worsened and the scheme gained popularity. Most *CTs* were linked to each other and accepted each others' local currencies. Gradually the network became known as *Red de Trueque* because at that time it was one. When more appeared, the *Redes de Trueque* created an umbrella organization to control the issuance of currencies.

Figure 1.1: Size of RT in terms of participants and Trueque Clubs



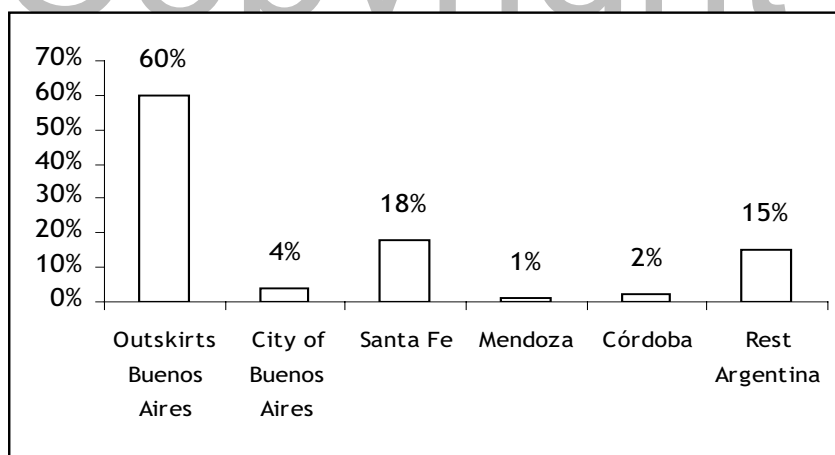
Sources: Ovalles (2002) for 1995–2002; La Nación for 2003; author's estimation for 2004–6 based on RT groups visited and information given by participants. Estimations refer to the beginning of each year.

The variation in terms of membership is marked. The first *Club de Trueque* (Barter Club) was launched in 1995 with twenty-five participants of the disenfranchised middle class. By 1996, just one year after it sprang up, there were already 1,000 participants involved in seventeen clubs operating in the metropolitan area of Buenos Aires. The numbers kept multiplying, particularly after

1999 when it jumped to 320,000 members in 2000, over half a million in 2001. It was by the beginning of 2002, with the regular economy melting down, that the *RT* reached a peak of at least 2.5 million participants in 4,700 centres across the country. With that scale, the *RT* ran into trouble and started to crumble around the middle of 2002. Soon afterwards the regular economy started to rebound and gradually entered a vigorous recovery. Within a year the *RT* slumped and by the end of 2003 it was reduced to about a tenth of its maximum size. Since then it has been stagnant and during fieldwork its size was estimated at 120,000 participants by the beginning of 2007. Figures 1.1 and 1.2 depict this evolution and geographical coverage.¹¹

The data on membership require a note of caution. They are unofficial figures and rough estimations by *RT* leaders who normally did not keep accurate records. They include duplication when participants are associated with more than one CCS or drop out. Also, they only indicate registered individuals: for example, a one-time assistant counts as a daily participant of several years. There is no distinction between 'member' and 'household'; a single member may support several persons in a household while, instead, there may be several other participants from the same household. In short, the 'real' membership of the *Trueque* is quite unknowable and these data are just an acceptable indication of the dimensions of the phenomenon.

Figure 1.2: Geographical distribution of CT in 2001



Source: Ovalles (2002)

Note: Ovalles (2002) calculated the percentages on a basis of 5,000 CT.

The profile of *RT* participants was the first aspect that drew the attention of scholars. Following path-breaking fieldwork in 2000, González Bombal emphasized the predominance of the disenfranchised middle class among the participants,

unlike in other self-help income-generation schemes, where the structural poor are often in the majority. González Bombal found that the educational level of the participants was relatively high: 53 per cent had completed secondary school (twelve years of schooling) and 28 per cent had received some tertiary or university education, while only nineteen per cent had primary school education alone (seven years of schooling). Unable to maintain their consumption patterns, they were the right population segment for the early take-off period. In addition, the majority of members (56 per cent) were between forty and sixty years old, 44 per cent were unemployed and 24 per cent had vulnerable employment. González Bombal presented the *Red de Trueque* as a new form of sociability, reflecting the social capital of the middle class. The income-generation effects were beyond the scope of her work.¹²

These findings were later confirmed by other authors.¹³ The socioeconomic background of the majority of participants – impoverished middle class – was a crucial determinant in the type of scheme that eventually resulted. The enthusiasm with which the disenfranchised middle class adopted the *RT* was crucial for its take-off because the system requires conditions not frequently found among the traditional poor (for example, initial capital, skills, tools and equipment, entrepreneurial capabilities). The relatively lower participation of the low-income groups may be explained by the fact that they had developed other ways of dealing with poverty which was already their everyday condition. In contrast to the middle class, the structural poor share an engrained habit of engaging in non-market forms of exchange, which is driven by the need they have for each other's support and their lack of material resources and entitlements.¹⁴ Moreover, other survival strategies such as sifting through garbage for scraps and saleable items, street vending and employment as domestic servants were widespread among the structural poor and rather unthinkable for those with a middle-class background.

A second point that stood out in early research was the role of the *Redes de Trueque* in providing complementary employment. Already when the network was not too extended across the country, Morisio found that participants could cover a significant proportion of their needs through it in a context where 70 per cent of them earned less in the regular economy than half the value of an average household basket of products defined by the National Statistics Bureau INDEC.¹⁵ The *RT* was a system in which the participants exchanged products (such as food and crafts linked to their middle class lifestyle) that they made on a small scale with equipment at home, using a different currency from the national one and different rules of trade. The system was not suitable for the traditional poor, who neither owned home equipment to make products for exchange nor had secure access to official money to pay for inputs and other goods not available in complementary currency. Morisio's view was confirmed by later research

that found that every respondent had faced employment vulnerability in the previous two years.¹⁶

It was often the main breadwinner in the household who was unemployed and another household member who participated in the *Redes de Trueque* to earn a second income. This was typically a woman with no employment experience, attracted by the discovery that what she had until then regarded as a hobby could be transformed into an income-earning activity.¹⁷ Up to two-thirds of the participants were women whose husbands were unemployed or did odd jobs.¹⁸

The link between gender and the *RT* has been emphasized in most research. Women were not only the majority of the participants but also the main drivers of the *RT*, the inaugurators and organizers of *CT*, which gave them the chance to build skills as managers and community leaders. Their prevalence is sometimes analysed in relation to class and some authors argue that the *Redes de Trueque* reflected the traditional household work and hobbies of middle-class women well.¹⁹ The goods and services offered were typical of the consumption patterns of this stratum. Many of the middle-class women had never worked for money and their contacts in the public sphere were driven by gendered hobbies (for example, cooking and knitting) or through a social network of friends, fitness clubs, and so on, that they could no longer afford.²⁰ Other authors stressed that the *RT* enabled women to gain recognition because they were able to contribute to the household income.²¹ Activities that used to be unpaid (taking care of children and the elderly, cooking and knitting) gained exchange value. The gender division of labour in the household reflected the type of money each breadwinner earned (pesos for men, complementary currency for women), but both were crucial for sustaining the household's consumption. Women would search for food and clothing in the *RT* while the pesos earned by men were used to pay for public services and meet other expenses such as taxes and rent that could not be paid in local money. In this sense, the *RT* was an instrument that made the unpaid work of women visible and valuable in the lifestyle of their household.²²

The absence of state intervention even when the *RT* was at its peak is another aspect that made the Argentine experience unique. The *RT* appeared as a grassroots response that kept social peace in a context of institutional collapse.²³ Thus, it was in the state's interest to support it, unlike in most other countries where CCS are suppressed or barely tolerated.²⁴ The Argentine government promoted the *RT* actively to reduce social conflict as well as reintegrate people into the formal economy. Some local governments even accepted the use of its currency to pay municipal taxes. This expanded the realm and legitimate recognition of the *RT*.

A fifth issue that attracted researchers' attention was why the *Red de Trueque* had grown so much and so quickly in Argentina, in comparison with other similar schemes elsewhere in the world. As noted earlier, 5,200 CCS exist in fifty-eight countries, but none has achieved the durability, scale and scope of the Argentine

one. Several authors attribute this to the unusual availability of idle resources following the crises of 1995 and 1998.²⁵ While the existence of a large middle class could explain why complementary currency systems started in Argentina, it is an incomplete explanation for why they achieved a scale that dwarfs that of other CCS around the world. Other authors combine this argument with the sociability aspects of the *RT*.²⁶ They contend that the *RT* supported the building of new social networks, which helped the participants breach the isolation caused by their diminished income and status. Powell adds another explanation: Argentines had unusually low barriers to the adoption of new forms of money since the state's capacity to regulate and influence behaviour had been eroded.²⁷

The construction of a common identity in the *Redes de Trueque* led some researchers to approach it as a social economy initiative.²⁸ José Luis Coraggio questions whether the *RT* was an alternative economic space.²⁹ For example, the author points out the difference between trade in the *RT* and in the informal economy became marginal to many participants, as supported by later studies.³⁰ Participants slowly lost the awareness that they were part of a project that not only sought to improve household income but also created social cohesion and community bonds. They started seeing the *Redes de Trueque* as 'any job' or 'any other business'.³¹ The only visible difference was the currency used. Deviation to the morality of an alternative development path became even more evident in the end.³² The *RT* reproduced the pathologies of the global financial system and finally faced a catastrophic loss of confidence.³³ Participants were mainly driven to the *RT* out of need, while the project of a social or alternative economic space mainly represented the aspiration of the leaders.³⁴

Still, the *RT* was not regarded as completely the same as the informal economy. The *RT* provided a replacement for lost jobs, both in terms of income and use of time and resources, expressed as 'feeling useful again' and 'there is still something you can do as a human being'.³⁵ Some participants said they preferred the *CT* to the 'degradation in the labour market' that followed the new hiring modalities and the informalization of employment in Argentina.³⁶ They had the capacities, resources and often equipment to produce goods and services and, in the words of a participant interviewed, found in the *RT* a 'friendlier atmosphere than outside, because outside, you're on your own'.³⁷

While the *RT* cannot be assessed in equal terms as the informal economy, it does not exhibit the moral characteristics usually outlined in the literature on the social economy.³⁸ It combines traits of both, possibly because complementary currency systems change internally and in relation to the rest of the economy when they grow in scale and scope. They do not just become *bigger* versions of any standard CCS in the world but develop characteristics of their own, pushing it away from the assumptions of the social economy and closer to 'an economy within the economy', as the organizers of the *RT* described it. That is, the *RT* was

a CCS regulated by institutions that structured the activities of large numbers of individuals and groups, with their interests and conflicts, different from those in the regular economy. It was a market regulated by institutions like any other market, but organized from the grassroots by specific social groups.

Other researchers have analysed the *RT* as a parallel economic system that bloomed with the collapse of the regular economy and disappeared when the national economy recovered. As said, this common sense explanation is not consistent with all the facts. Colacelli et al. (2005)³⁹ employed an econometric model that compared the use of stamp scrip during the Great Depression in the USA and in the *RT* in Argentina. They reason that the *RT* currencies supplemented regular money when it was in short supply, but once the relation between the amount of regular means of payment and goods was re-established, secondary means of payment disappeared. Their analysis is valid, though their final conclusion is tinted by the period when they did their fieldwork (2002 and 2003). It was the period when the *RT* fell apart and the regular economy was starting to rebound. The statistical significance of this anti-cyclical hypothesis decreases if the period of analysis is extended to 2006.

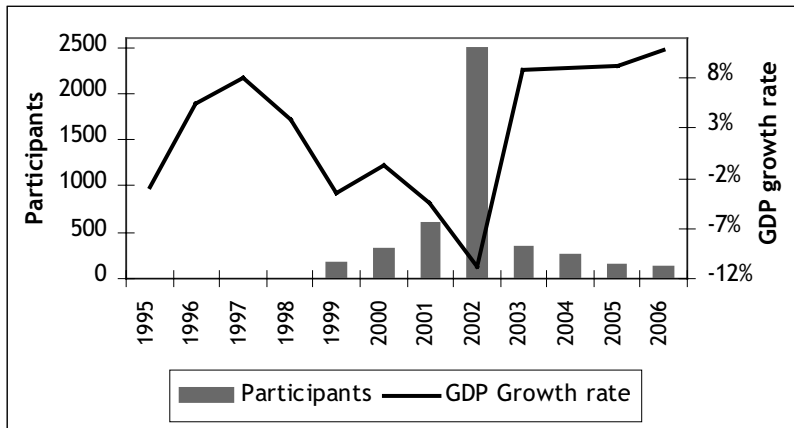
For the sake of an academic exercise, the hypothesis of an anti-cyclical dynamism in the *RT* was given closer scrutiny. Among macroeconomic variables, the data analysed were total GDP, its growth rate, and the unemployment and poverty rates. On the side of the *RT*, the number of *CT* and participants provided an indication of the *RT*'s scale.

Of all these, the closest relationship between the scale of the *RT* and the regular economy is observed in the GDP growth rate (Figure 1.3). It would seem that when the economy collapsed, the *RT* grew, but when the regular economy rebounded, the *RT* did not fall apart as could be expected. This suggests that participants sheltered themselves in the *RT* after the collapse of the regular economy but did not leave it once the GDP recovered. Other factors came into play once they were in the network; that is, the *Redes de Trueque* developed a life of their own.

The unemployment rate shows a weaker relationship to the growth of the *RT*, but again, the link is clearer during the economic collapse than during the recovery. This supports the finding that individuals enter the *RT* when the household is exposed to a difficult labour market but do not immediately or necessarily leave it once it improves.

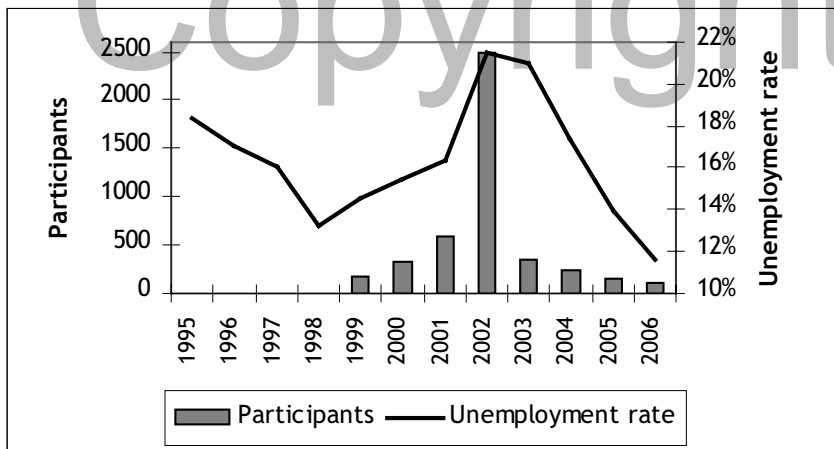
The third variable looked at was the percentage of households under the poverty line (Figure 1.5). The relationship with the *RT* was stronger than with unemployment,⁴⁰ probably because unemployment does not automatically mean poverty (not all the unemployed are poor) and the most likely to join the *RT* are those who are poor *and* unemployed. Besides, a significant share of the participants were women who had never been employed and thus were not registered in the unemployment rate.

Figure 1.3: Relation between scale of RT and GDP growth rate, 1995–2006



Sources: For the RT, as in Figure 1.1 but here expressed in thousands. GDP growth rates from <www.indec.gov.ar>.

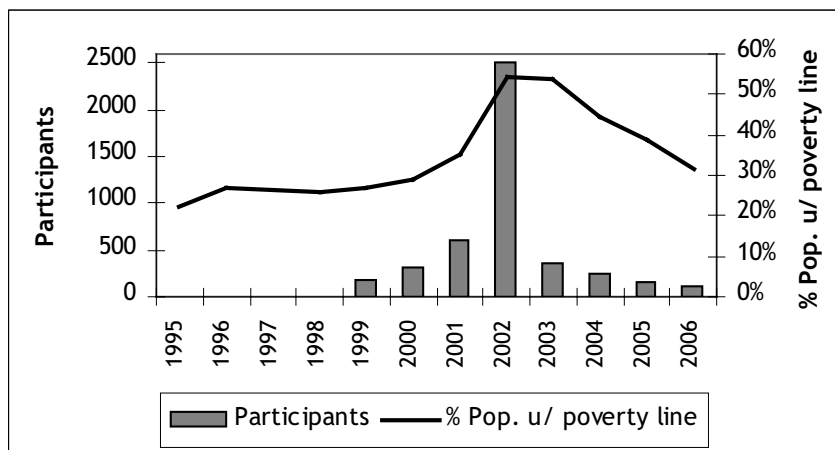
Figure 1.4: Relation between scale of RT and unemployment, 1995–2006



Note: Unemployment rates are for the second quarter (May) and include job-seekers receiving welfare subsidies.

Sources: For the RT, as in Figure 1.1 but expressed in thousands. Unemployment rates from <www.indec.gov.ar>.

Figure 1.5: Relation between scale of RT and poverty, 1995–2006



Note: Poverty rates correspond to total urban population (individuals) under the poverty line in the third quarter.

Sources: For the RT, as in Figure 1.1 but expressed in thousands. Poverty rates from <www.indec.gov.ar>.

The Redes de Trueque as Institutional Process

The *Redes de Trueque* were an exceptional case of institutions built from below or by non-state actors. Without any state intervention, social groups organized currencies, markets, and rules to regulate their socio-economic action in an effort to re-establish what they considered 'economic life as usual'. That is, they ventured to recover the economy as an institutional process. In order to understand the process of institutional reconstruction, this section revisits institutional economics and builds up an analytical framework.

The literature has approached comparable phenomena with a variety of names. Some authors refer to bottom-up arrangements that organize economic activity as 'spontaneous private orderings'⁴¹ or 'spontaneous social order'.⁴² In the literature of the New Political Economy 'private interest governance' addresses the organization of the economy by non-state actors, though usually in this framework the state retains a significant role.⁴³ Bottom-up arrangements in absence of state intervention represent a puzzle for game theory scholars, who claim that they are cases of 'Lawlessness in Economics'.⁴⁴ These are economies which are not regulated by the rule of state law but are driven by common agreements of voluntary compliance between private parties. The *RT* were of course somewhat different. Common agreements and private orderings were not reached by firms and governments, as most of the literature suggests, but by communities and civil society actors. In this sense, they constitute a system of 'soft governance'.⁴⁵

At this point it is necessary to define a few analytical categories in order to explain the emergence and construction of institutions within the *RT*. The rest of the section presents a brief conceptualization of institutions and elaborates three categories that will guide the analysis.

The fundamental point of departure of Institutional Economics is that the action of economic agents is ruled and coordinated by institutions, which raises relatively little disagreement in the social sciences. For example, prices, money, labour standards, laws and rules of exchange are institutions. Markets and monetary systems are clusters of institutions.

The key concept of institution admits quite a range of definitions. Institutions are defined as 'structured processes of interaction among individuals, relatively enduring and recognized as such'.⁴⁶ With more detail, they are also defined as 'formal organizations and informal rules, compliance procedures and standard operating practices that structure the relationship between individuals in various units of the polity and the economy'.⁴⁷ Institutions present possible paths of action for economic agents to decide about employment, production, exchange and the options between abiding by rules and shirking. They point out 'what has meaning and what actions are possible' in economic life.⁴⁸

In spite of some variation in the definition, institutions are critical elements in the social structure which gives stability and meaning to human action.⁴⁹ Geoffrey Hodgson discusses institutions as 'the kind of structures that matter most in the social realm: they make up the stuff of social life'.⁵⁰ However, institutions and social structures are not, strictly speaking, synonyms. Institutions are a special type of social structure, those that are in principle codifiable and normative rules of behaviour and interpretation that have the potential to change agents, including their purposes or preferences. 'Potentially codifiable' means knowledge of them can be either tacit or explicit, but they are still the subject of discourse to facilitate their social and cultural transmission. 'Normative rules of behaviour and interpretation' implies that a breach can be detected and eventually sanctioned. The key term is 'rule' which is a 'normative injunction or immanently normative disposition that in circumstances X do Y'.⁵¹ This means that rules, including laws, norms of behaviour and social conventions, are 'considered, acknowledged, or followed without much thought'.⁵²

The fact that knowledge of rules can be tacit makes it problematic to determine whether behavioural regularities are due to instinct or genuine rule-following. The Old Institutional Economics, or Evolutionary Economics, distinguishes between instinct and habit, in the tradition of John Commons, Thorsten Veblen and Clarence Ayres, among others. Instinct is genetically inherited while habit is acquired culturally. Habits are dispositions to engage in previously adopted or acquired behaviour, triggered by specific stimuli or contexts.⁵³ Instinct explains just a small part of the variety of human actions and interactions. Habits, on