

# Lessons from Argentina's economic collapse

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*(Editor's note: the article that follows is a very sobering account of the effect that the collapse of the Argentine economy (1999 - 2002) had on its citizens, as seen through the eyes of one of them. The economic collapse wiped out the middle class and raised the level of poverty to 57.5%. Central to the collapse was the implementation of neo-liberal policies which enabled the swindle of billions of dollars by foreign banks and corporations. Many of Argentina's assets and resources were shamefully plundered. Its financial system was even used for money laundering by Citibank, Credit Suisse, and JP Morgan (sound familiar?). The net result was massive wealth transfers and the impoverishment of society which culminated in many deaths due to oppression and malnutrition. I am not sure the same thing is about to happen here, but I am sure that there is a distinct possibility that it might. Just food for thought - JSB)*

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For western countries such as the UK, the first major problems of Peak Oil, assuming there are no oil shocks, will not be the shortage of oil but the economic crises that will occur. Argentina is a recent example of a country that suffered a serious economic crisis, and although Argentina and the UK are not identical, anyone interested in how economic crises can affect individual lives will be very interested in the following vivid description of life for an Argentinian following the economic collapse.

My brother visited Argentina a few weeks ago. He's been living in Spain for a few years now.

Within the first week, he got sick, some kind of strong flu, even though climate isn't that cold and he took care of himself.

Without a doubt he got sick because there are lots of new viruses in my country that can't be found in 1st world countries.

The misery and famine lead us to a situation where, even though you have food, shelter and health care, most others don't, and therefore they get sick and spread the diseases all over the region.

What got me started on this post is the fact that I actually saw this coming, and posted on the subject here at Frugal's, months before the new viruses spread over the country and the news started talking about this new, health emergency, which proves that talking, thinking and sharing ideas with like minded people (you guys), does help to see things coming and prepare for them with enough time.

So I started thinking about several issues, what I learned (either the hard way or thanks to this forum) after all these years of living in a collapsed country that is trying to get out an economical disaster and everything that comes along with it.

Though my English is limited, I hope I'm able to transmit the main ideas and concepts, giving you a better image of what you may have to deal with some day, if the economy collapses in your country.



## URBAN OR COUNTRY?

Someone once asked me how did those that live in the country fare. If they were better off than city dwellers.

As always there are no simple answers. Wish I could say country good, city bad, but I can't. Because if I have to be completely honest, and I intend to be so, there are some issues that have to be analyzed, specially security.

Of course that those that live in the country and have some land and animals were better prepared food-wise. No need to have several acres full of crops. A few fruit trees, some animals, such as chickens, cows and rabbits, and a small orchard was enough to be light years ahead of those in the cities.

Chickens, eggs and rabbits would provide the proteins, a cow or two for milk and cheese, some vegetables and fruit plants covered the vegetable diet, and some eggs or a rabbit could be traded for flour to make bread and pasta or sugar and salt.

Of course that there are exceptions.

For example, some provinces up north have desert climate, and it almost never rains. It is almost impossible to live of the land, and animals require food and water you have to buy. Those guys had it bad, no wonder the northern provinces suffer the most in my country.

Those that live in cities, well they have to manage as they can. Since food prices went up about 200%-300%. People would cut expenses wherever they could so they could buy food. Some ate whatever they could, they hunted birds or ate street dogs and cats; others starved.

When it comes to food, cities suck in a crisis. It is usually the lack of food or the impossibility to acquire it that starts the rioting and looting when TSHTF. When it comes to security things get even more complicated.

Forget about shooting those that mean you harm from 300 yards away with your MBR. Leave that notion to armchair commandos and 12 year old kids that pretend to be grown ups on the internet.

### Some facts:

**1) Those that want to harm you/steal from you don't come with a pirate flag waving over their heads.**

**2) Neither do they start shooting at you 200 yards away.**

**3) They wont come riding loud bikes or dressed with their orange, convict just escaped from prison jump suits, so that you can identify them the better. Nor do they all wear chains around their necks and leather jackets. If I had a dollar for each time a person that got robbed told me, "They looked like NORMAL people, dressed better than we are", honestly, I would have enough money for a nice gun. There are exceptions, but don't expect them to dress like in the movies.**

**4) A man with a wife and two or three kids can't set up a watch. I don't care if you are SEAL, SWAT or John Freaking Rambo, no 6th sense is going to tell you that there is a guy pointing a gun at your back when you are trying to fix the water pump that just broke, or carrying a big heavy bag of dried beans you bought that morning.**

The best alarm system anyone can have in a farm are dogs. But dogs can get killed and poisoned. A friend of mine had all four dogs poisoned on his farm one night, they all died.

After all these years I learned that even though the person that lives out in the country is safer when it comes to small time robberies, that same person is more exposed to extremely violent home robberies. Criminals know that they are isolated and their feeling of invulnerability is boosted. When they assault a country home or farm, they will usually stay there for hours or days torturing the owners. I heard it all: women and children getting raped, people tied to the beds and tortured with electricity, beatings, burned with acetylene torches.

Big cities aren't much safer for the survivalist that decides to stay in the city. He will have to face express kidnappings, robberies, and pretty much risking getting shot for what's in his pockets or even his clothes.

So, where to go? The concrete jungle is dangerous and so is living away from it all, on your own.

The solution is to stay away from the cities but in groups, either by living in a small town-community or sub division, or if you have friends or family that think as you do, form your own small community.

Some may think that having neighbors within "shouting" distance means losing your privacy and freedom, but it's a price that you have to pay if you want to have someone to help you if you ever need it. To those that believe that they will never need help from anyone because they will always have their rifle at hand, checking the horizon with their scope every five minutes and a first aid kit on their back packs at all times.... Grow up

## **SERVICES**

Whatever sort of scenario you are dealing with, services are more than likely to either suffer in quality or disappear all together. Think ahead of time, analyze possible SHTF scenarios and which service should be affected by it in your area.

Think about the most likely scenario but also think outside the box. What's more likely? A tornado? But a terrorist attack isn't as crazy as you thought it would be a few years ago, isn't it?

Also analyze the consequences of those services going down. If there is no power then you need to do something about all that meat you have in the fridge, you can dry it or can it. Think about the supplies you would need for these tasks before you actually need them.

You have a complete guide on how to prepare the meat on you computer... how will you get it out of there if there is no power? Print everything that you consider important.

## **WATER**

No one can last too long without water. The urban survivalist may find that the water is of poor quality, in which case he can make good use of a water filter, or that there is no water available at all. When this happens, a large city were millions live will run out of bottled water within minutes.

In my case, tap water isn't very good. I can see black little particles and some other stuff that looks like dead algae. Taste isn't that bad. Not good but I know that there are parts of the country where it is much worse. To be honest, a high percentage of the country has no potable water at all.

If you can build a well, do so, set it as your top of the list priority as a survivalist. Water comes before firearms, medicines and even food.

Save as much water as you can. Use plastic bottles, refill soda bottles and place them in a

cool place, preferably inside a black garbage bag to protect it from sun light. The water will pick some plastic taste after a few months, but water that tastes a little like plastic is far way better than no water at all.

What ever the kind of SHTF scenario you are dealing with, water will suffer. In my case the economical crash created problems with the water company, that reduces the maintenance and quality in order to reduce costs and keep their income in spite of the high prices they have to pay for supplies and equipment, most of which comes from abroad, and after the 2001 crash, costs 3 times more.

As always, the little guy gets to pay for it.

Some would go for floods or chemical or biological attacks. Water requires delicate care and it will suffer when TSHTF in one way or another. In this case, when you still have tap water, a quality filter is in order, as well as a pump if you can have one. A manual pump would be ideal as well if possible.

Estimate that you need a approximately a gallon per person per day. Try to have at least two-four weeks worth of water. More would be preferable.

## **POWER**

I spent WAY to much time without power for my own taste. Power has always been a problem in my country, even before the 2001 crisis.

The real problem starts when you spend more than just a few hours without light. Just after the SHTF in 2001 half the country went without power for 3 days.

Buenos Aires was one big dark grave. People got caught on elevators, food rot, hospitals that only had a few hours worth of fuel for their generators ran out of power.

Without power, days get to be a lot shorter. Once the sun sets there is not much you can do.

I read under candle light and flashlight light and your head starts to hurt after a while. You can work around the house a little bit but only as long as you don't need power tools.

Crime also increases once the lights go out, so whenever you have to go somewhere in a black out, carry the flashlight on one hand and a handgun on the other.

Summarizing, being in a city without light turn to be depressing after a while. I spent my share of nights, alone, listening to the radio, eating canned food and cleaning my guns under the light of my LED head lamp. Then I got married, had a son, and found out that when you have loved ones around you black outs are not as bad. The point is that family helps morale on these situations.

A note on flashlights. Have two or three head LED lights. They are not expensive and are worth their weight in gold. A powerful flashlight is necessary, something like a big Maglite or better yet a SureFire, specially when you have to check your property for intruders. But for more mundane stuff like preparing food, going to the toilet or doing stuff around the house, the LED headlamp is priceless. Try washing the dishes on the dark while holding a 60 lumen flashlight on one hand and you'll know what I mean. LEDs also have the advantage of lasting for almost an entire week of continuous use and the light bulb lasts forever.

Rechargeable batteries are a must (ed. Get a solar powered battery charger) or else you'll end up broke if lights go out often. Have a healthy amount of spare quality batteries and try to standardize as much as you can.

I have 12 Samsung NM 2500Mh AA and 8 AAA 800mh for the headlamps. I use D cell plastic adaptors in order to use AA batteries on my 3 D cell Maglite. This turned out to work

quite well, better than I expected.

I also keep about 2 or 3 packs of regular, Duracell batteries just in case. These are supposed to expire around 2012, so I can forget about them until I need them.

Rechargeable NM batteries have the disadvantage of losing power after a period of time, so keep regular batteries as well and check the rechargeable ones every once in a while.

After all these years of problems with power, what two items I would love to have?

1) The obvious. A generator. I carried my fridge food to my parents house way to many times on the past. Too bad I can't afford one right now.

2) A battery charger that has both solar panel and a small crank. They are not available here. I saw that they are relatively inexpensive in USA. Do yourself a favor and get one or two of these. Even if they don't charge as well as regular ones, I'm sure it will put out enough power to charge batteries for LED lamps at least.

## **GAS**

Gas has decreased in quality as well, there is little gas. Try to have an electric oven in case you have to do without it.

If both electricity and gas go down, one of those camping stoves can work as well, if you keep a good supply of gas cans.

The ones that work with liquid fuel seem to be better on the long run, since they can use different types of fuel.

You can only store a limited amount of compressed gas and once you ran out of it, you are on your own if stores are closed or they sold them out.

Anyway, a city that goes without gas and light for more than two weeks is a death trap, get out of there before it's too late.

## **A DIFFERENT MENTALITY**

I was watching the People & Art channel with my wife the other night. It was a show where they film a couple for a given period of time and some people vote on who is the one with the worst habits, the one they find more annoying.

We were in our bed, and this is when I usually fall asleep but since the guy was a firearms police instructor I was interested and managed to stay awake.

At one point the guy's wife said that she found annoying that her husband spent 500 dollars a month on beauty products for himself. 500 USD on facial cream, special shampoo and conditioner, as well as having his nails polished! If you are that guy and happen to be reading this, or if you know him, I'm sorry, but what an idiot!!

"500 USD, that's a small generator or a gun and a few boxes of ammo" I told my wife.

"That's two months worth of food" she said.

We were each thinking of a practical use for that money, the money this guy was practically throwing away.

Once the SHTF, money is no longer measured in money, but you start seeing it as the necessary goods it can buy. Stuff like food, medicine, gas, or the private medical service bill.

To me, spending 500 dollars on beauty products, and to make it worse, on a guy? That's simply not acceptable.

The way I see it, someone with that mentality can't survive a week without a credit card, no

use in even considering a SHTF scenario. And this guy is a firearms instructor?... probably the kind of guy that will say that a handgun is only used to fight his way to his rifle... and his facial night cream...

Once you experience the lack of stuff you took for granted, like food, medicines, your set of priorities change all of a sudden. For example, I had two wisdom teeth removed last year. On both occasions I was prescribed with antibiotics and strong Ibuprofen for the pain. I took the antibiotics (though I did buy two boxes with the same recipe just to keep one box just in case) but I didn't use the Ibuprofen, I added it to my pile of medicines.

Why? because medicines are not always available and I'm not sure if they will be available in the future. Sure, it hurt like hell, but pain alone isn't going to kill you, so I sucked it up. Good for building up character if you ask me. Make sacrifices so as to ensure a better future, that's the mentality you should have if you want to be prepared. There's stuff that is "nice to have" that has to be sacrificed to get the indispensable stuff.

There's stuff that is not "basic need stuff" but it's also important in one way or another.

My wife goes to the hairdresser once every month or two. It's not life or death, but it does make her feel better and it boosts her morale. I buy a game for the Xbox or a movie to watch with my wife every once in awhile, just to relax. 7 or 10 dollars a month are not going to burn a hole in my pocket.

Addictions such as alcohol, drugs or even cigarettes should be avoided by the survivalist. They are bad for your health, cost a lot of money that could be much better spent, and create an addiction to something that may not be available in the future.

Who will have to tolerate your grouchy mood when your brand of smokes is no longer imported after TSHTF?

## **GRAY/BLACK MARKET**

Once the SHTF the black/gray market will take no time to appear all around you.

In my country, gray markets were even accepted in the end. At first it was all about trading skills or craft products for food. Districts and towns would form their own barter markets, and created their own tickets, similar to money, that was used to trade.

This didn't last long. Those tickets were easy to make on your home computer, there was no control and eventually people went back to paper money.

These markets were usually placed on warehouses or empty land, and were managed by some wise guy and a few thugs or hired security.

Anyone can go rent a kiosk inside these markets for about 50-100 pesos (about 20-30 dollars) a day and sell his goods and services.

Peace within these markets is usually respected... let's just say that these managers don't call the police if someone tries anything funny, like stealing, fighting or taking advantage of women. That's not good for their business and anyone that tries to mess with their business finds out how much pain the human body can actually experiment or gets a free ticket to meet the Lord.

Sometimes even uniformed cops manage security on these markets, for a small fee of course. As always, you still have to be careful. They may still try to pick your pockets or even attack you once you leave the market. Once you leave the market, you are on your own, as always.

This market evolves, and now a lot of different products are available. Today I visited my local market, a warehouse that is fairly well set up and cleanly managed. They had problems for selling stolen merchandise and fake Brand name clothes a few days ago.

What can be found at a local markets? Mostly food and clothing. Some have more variety than others but cheese, canned food, spices, honey, eggs, fruits, vegetables, beer, wine and cured meat are generally available, same as bakery products and pasta. These are less expensive than those found at supermarkets. Fresh fish is sometimes available but not always, people don't trust much products that need refrigeration, and they get those at supermarkets instead.

Clothes are also popular and you can find copies of brand name clothes, imitations, or even original stolen new clothes, the same goes for shoes and snickers. Children clothes, underwear, socks, sheets and towels are all very popular. Some sell toys, but they are always China made, mostly poor quality though there are some few exceptions.

Others sell tools, also made in China can be found as well, but they are of poor quality.

Some offer their services and repair stuff or offer work as handyman.

You would be amazed of the junk that these guys manage to fix: TVs, CD players, Power tools, etc. They even manage to solder the small integrated circuits boards sometimes. Give one of these guys a screw driver and a bar of chocolate and he will fix a nuclear submarine.

After food and clothes, the 3rd most popular item has to be CDs and DVDs, movies, music, play station 2 and Xbox games, programs, it all ends up there just one or two days after the official release in USA. Seems that they have a guy hidden under Bill Gate's desk or something.

Anyway, almost everything can be found there, and if you want, you can ask around, talk to the right guy and buy illegal stuff like drugs or black market guns and ammo. The quality of the drugs is questionable, of course, and a lot of addicts die from the mixtures these guys sell. Guns are mostly FM High Powers, Surplus 1911s and Colt .45s, Sistemas, and old Colt Detective revolvers in 38 special that found their way from police and military armories into the black market. Condition isn't very good but if you have money you'll be amazed of what you can end up with. Everything that is used by the military and police, including SMGs a, Browning 50 BMG Machine guns, and even frag grenades, is available in the black market, if the customer has the amount of money and a little patience, of course. The big guns may take a while, but the handguns and grenades are readily available.