

The Argentine Crisis. A look at the Twentieth Centuryⁱ

Luis Alberto Romeroⁱⁱ

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The Argentine crisis broke in the last months of 2001 and developed during 2002, the year when bank deposits were trapped in the *corralito*, and the year of demonstrations against politicians with the clamorous demand for *que se vayan todos* (all of them should go). It was a year of rage and of big re-founding projects. The "people", the "civil society" would succeed where politicians had failed. There was an echo of previous and faraway experiences of excessive willingness, though overshadowed by discordant voices defending strictly personal interests. In the last third of 2002, the realisation that the final collapse was not imminent, the perception that the state had some sort of capacity for negotiation and, above all, the perspective of the presidential election eased the tension a bit. The elections of March 2003 came as a surprise because of the high level of attendance and a carefully thought-out vote, distributed among several candidates. The polarisation set for the second round announced that even one of the miracles of democracy would take place: *el pueblo* (the people) was ready to crush the anti-pueblo (the anti-people). The first measures of the new president consisted of strong gestures of authority, oriented to what the majority of public opinion considered good causes, and in that way, the feeling of a new beginning, of a new opportunity for Argentina, became stronger.

However, the crisis is still here; it has always been since twelve years ago, to whom might have wanted to see it. In contradiction with the common sense of Argentinians -if Argentina is not the best country in the world, at least must be the worst- this crisis is not so different from many other contemporary crises in the world which have affected countries whose societies, poorly

defended by their states, are subject to the destructive ups and downs of international financial capital; the tiger was let out of its cage.

Although the Argentine crisis is very similar to others, it has a disconcerting singularity: in the last twenty years there has been here a curious co-existence of two processes, at first sight contradictory. One of them is the decline of the state and the impoverishment of society. With no resources, no management tools, corrupt to the marrow, limited by foreign debts and ties with powerful corporate interests, the state seemed to reach a point of liquefaction. The society, with a high level of unemployment, has today one half of its members below poverty line -half of them in a state of abject destitution. Nothing more different than those times when Argentina had a potent state and a mobile and egalitarian society, that society that for a long time distinguished it from the rest of the Latin-American countries. Paradoxically maybe, it was in this exhausted Argentina where, for the first time in its history, a political democratic regime, republican and plural, was built, formally accurate and fitting into the parameters of countries with more consolidated democracies.

In this text I will deal with the long-term context of this crisis. The problems of society, of the state and politics in Argentina, during the twentieth century. I will successively examine the Argentine expansion -which, with its ups and downs and fluctuations, extends well into the end of the sixties- as well as its decline, clearly stated as from 1980. I will focus on the complex crisis taking place between 1969 and 1979 and which will work as a hinge between the above mentioned periods: one of growth and the other of decadence. What is presented here is a stylised view; focused on one aspect of that passage: the characteristics and the action of the state, which accompanied and sustained Argentine growth - that was both strong and weak at the same time- to be finally amputated and systematically dismantled just when it was beginning to be governed in a pristine democratic way.

The Vital, Troubled Argentina

As from the end of the nineteenth century, and for almost a hundred years, Argentina grew steadily. Under the tutelage and orientation of a strong state, the economy prospered and a civil and integrating society grew. As from 1916, political democracy should crown this virtuous process. But representative and republican institutions did not take root, and the state began to deal and mix up with corporate interests, that appealed to it and at the same time controlled it. Peronism added a problem difficult to process. In addition, when in the 1960s economic growth stagnated, the crisis broke and Argentine history started its turn towards decay.

The Building of Modern Argentina

In many aspects, modern Argentina was brought into existence by its state, consolidated in 1880. The term *liberal*- usually applied to its initial stage, before World War I- masks what was an active state participation in the resolution of crucial issues. Once civil wars were over in 1880, a long work of montage followed which besides setting up law principles, institutional and administrative, organized its social life and boosted the economy.

Towards the end of the nineteenth century, the free distribution of big areas of fiscal land, the encouragement of massive immigration, a flexible monetary and credit policy, and even the protection of certain regional economies -such as sugar in the Province of Tucuman - show a very active involvement of the state in the growing of the economy. It also assumed responsibility for incorporating the new European migratory contingents into the traditional Creole sectors, through a comprehensive educational program. Public school -one of the big programs of that Argentina of expansion- was good to teach them to read and write, to train them for work and to nationalize them, generating forms of identity that enabled the consolidation of state loyalty and sovereignty. In short, what was being accomplished was far more than a *liberal* state.(Botana,1994; Bertoni, 2000)

State intervention increased during the period of the two World Wars and, above all, with the crisis of 1929. In those years, state tools for running

the economy were developed, and increased, after 1945 during Perón's first government, with the nationalisation of most public service companies. In those years, the state also protected local industry, regulated the conflicts of interests and, under the banner of "social justice", promoted an increase in workers' wages and the development of social security, thus encouraging the growth of a local market. With Perón overthrown in 1955, the next governments kept a strong state intervention in the economy, by then oriented to the promotion of foreign investments and the development of the most complex branches of industry.

The state kept betting strongly, even though it had already started to show signs of weakness. Partly, as it will be seen, these signs were due to a crisis of legitimacy- originated by the proscription of peronism and frequent *coups d'etat*, and partly, to the growing interference of the United States and the International Monetary Fund in the country's political and economic affairs. Other factors will be immediately referred to, that, though less spectacularly, had been gradually eroding its authority. In 1973, when Perón is back in power, his programme focuses on the reconstruction of the state, which still seemed possible.

Argentina had a prosperous economy, capable of distributing benefits and of shaping a society both mobile and plenty of opportunities. Over a hundred years, in the frame of the parameters established by the state, -and taking proper advantage of the international circumstances- the country gradually organised successive cycles of growth, which were separated by crises apparently very serious at the time but, successfully overcome in perspective, First, from the last decades of the nineteenth century, there was a growth in the agricultural economy for exportation. Argentina took advantage of the world market conditions, the fertility of the land and the availability of capital and the workforce that had migrated from Europe to work in the 'pampas'.

The benefits, which concentrated in local landowners and foreign investors, also spread widely over the rest of the society, favouring the new urban sectors and an incipient manufacturing industry. The exports were seriously affected by the First World War and the crisis of 1929; but the crisis

was overcome relatively fast, to begin a new cycle of growth. In the 1930s and 1940s, and due to the restriction to foreign trade, the industrial sector had the chance of replacing imports. The industry took advantage of the already established capacity, received new local as well as foreign investments, and absorbed large contingents of workers, who moved from rural areas in crisis to the periphery of urban centres. Thanks to state protection and to sustained contribution of the agricultural sector -that provided the foreign currency necessary to pay for supplies and machines - growth was sustained and industrial employment expanded remarkably.

Towards 1952 growth stagnated, due to the exhaustion of the agricultural sector that supplied the currency and that was severely affected by the State's low prices. The crisis was overcome towards 1958. The third cycle of growth was then initiated, propelled by the investments of foreign companies, that were allured by the state through promotion regimes and protected markets, and that developed complex industrial sectors: supplies and capital assets. Initially, this growth brought about strong inequalities between new and traditional entrepreneurial sectors, as well as between developed and backward regions. But towards 1970, the negative aspects had been absorbed and many local companies, industrial and agricultural, had transformed substantially. At the start of the big crisis, the capitalist Argentine economy had matured in an obvious way. (Gerchunoff y Llach, 1998; Katz y Kosakoff, 1989).

Over a hundred years, and in a tendentious way, the fruits of economic prosperity - unequally owned, for sure- poured out over large sectors of society. The most remarkable consequence was its capacity to incorporate the benefits of modern life into successive contingents of population, and to shape an open society: mobile, egalitarian and, in a sense, democratic. First, there were the European migrants -who kept pouring in until after the Second World War was over; then, the internal migrants - mobilised by the agrarian crisis and attracted by the new industries-, and finally, those from the bordering countries -Bolivia, Paraguay- increased even more as from the sixties.

There was work for all of them, which was abundant until at least 1955. In the cities, they were able to go from temporary jobs to stable industrial jobs,

to state jobs, to self-employment -which was the basis for a small industrial or business enterprise. Other channels of social mobility were the acquisition of a house and education. "Home-ownership" was the great objective of the ascending sectors, and education was firmly boosted by the state: technical education facilitated progress in industrial work; state jobs were offered to those who had gone through the different stages of education; and university education qualified them for liberal professions or politics. For a long time, every immigrant carried his university degree -a "doctor's degree"- in his backpack, master key to inclusion into society.

In this "ascending adventure", there were failures, but the successful exceeded in numbers; and thus, a spontaneous ideology of social mobility took root, according to which children were always expected to do better than their parents. This made it difficult to establish solid and consistent class identities, as well as express conflicts of interests in polar terms. During peronism, when the state developed social welfare policies, the concept of "social justice" became deeply rooted. This did not contradict but adequately complemented the basic idea of mobility, for the state contributed to get those who had fallen a little behind back in the race.

This prosperous and mobile society was characterised by its "middle classes". But in the Argentine case, these "middle classes" must not be seen as a social segment -the middle part of the pyramid-, with specific, political or ideological, features. It is rather the distinctive feature of a dynamic society, where many individuals go from "the bottom" to "the top", across the middle sectors. The social differences did not translate into cuts or segments. In the first half of the twentieth century, there was a visible "oligarchic" group, that was perceived as a "patriciate", and that tried to keep closed. But it gradually dissolved during this long process of mobility, to lose all significance in Peron's time.(J.L. Romero, 2001; Torre y Pastoriza, 2002)

Democracy, Corporations and State

How did this prosperous and democratic society, guided by a strong and active state, process its conflicts? As in any contemporary capitalist society,

these conflicts occurred simultaneously in two scenarios: one governed by a democratic principle of popular sovereignty, the common good, egalitarian politics and representation; and another one where the interests of society organize, confront and negotiate within the frames created by the state. One of the singularities of the Argentine experience lies on the weakness of the former and on the strongly colluding -normally corrupt- character of the latter.

Democracy raised hopes; but then, its practice was a disappointment. In 1912, it emerged as the legitimate fruit of an expansive and democratic society. Suffrage, that was already universal for men, became secret and compulsory. The government, that hoped to improve the legitimacy of institutions, ordered the citizens to vote; and by that impulse, many inhabitants -by then little worried about these issues- became citizens, learnt the techniques of citizenship and built up the ideal image of democracy that was to endure, without important fissures, the confrontation with the little promising practices of the actual democracy in existence.

Citizenry's learning was varied. In some cases, it was a result of the amplification of the classic mechanisms of politics: the local caucuses and patronage, linked with new symbolic forms of identity and the adherence to a great political leader, such as Hipolito Yrigoyen or Juan Domingo Perón. Others turned into "educated citizens": they initiated their practice in some of the numerous and flourishing associations of civil society - for example library societies, or neighbourhood associations. And there they learnt participation techniques as well as discursive ideas and forms coming from the intellectual world, liberal and progressive. Later on, during peronism, the trade union organisations were another important source of citizenship awareness. On the other hand, the electoral machinery opened a new road to the "ascending adventure", characteristic of this society. Thus, the new activities of the citizens intertwined with social practices, and so fostered each other. (Gutiérrez y Romero, 1995)

Understood as participation, democracy was a value and an illusion, that stayed firm even through periods when government manipulation of the elections advanced, particularly after 1930, when a coup d'etat put an end to the government of the Union Civica Radical and started a period when

fraudulent practices developed overtly. However, "democracy" was still an efficient tool to organise political mobilisation: in 1946 Peron, presidential candidate, denounced the "formal democracy" fostered by his adversaries and called a fight for "real democracy".

But democratic practice was not to be expressed in strong republican institutions that could intervene effectively in the processing of social interests and conflicts. The democratic credentials of Yrigoyen and Peron cannot be denied, both leaders of the two big democratic experiences of the first half of the twentieth century. But both, each one in his own way, did little to adequate the new mass democracy to republican institutions -of liberal matrix- established by the Constitution. Neither believed much in them. To both, Parliament had little relevance, since they considered that its legitimacy went through channels other than the institutional ones. Thus, what should have been the centre of democratic politics, discussion and agreement in Parliament never played an important role.

Instead, there was a growth in presidential authority, strengthened by the figure of the 'caudillo de masas'. Radicalism, and then Peronism, called themselves "movements" that embodied the representation of the people or of the nation and which were invested with the mission of regenerating the society, and not "parties" that form part of a whole. There are two sources of this political conception that can be pointed out: a democratic thought in pure state, without a pinch of contamination with the liberal tradition; and an integral and homogenous idea of nation, in force in different spheres and now embodied in big democratic political forces. Radicalism was the "national cause", and "justicialist doctrine" became "national doctrine". Political adversaries were not only the people's enemies but also the nation's itself, and politics became inevitably factious. Such political discourse did not leave the opposition a legitimate place besides that of the "nation's enemy" or "anti-people" and the new democratic politics was inevitably factious. Curiously enough, that factiousness developed within a society where, as has been shown, the conflicts of interests unfolded in a moderate way, fierce in the particular but not split into polar interests. Thus, during peronism, the conflict was mainly political, and maybe cultural, rather than social.(Plotkin, 1994)

This fact changed rapidly after 1955, and it was due to an intensification of the social conflict as well as to a politicisation of the conflicts. With the proscription of peronism and of its most important leaders, the democratic social imaginary started a fast decadence. The more the heads of the *Revolucion Libertadora* (1955-58) preached democracy and liberty, the emptier the institutions turned out to be, made as illegitimate by the proscription, as the presidents elected under those conditions: Frondizi (1958-62) and Illia (1963-66). On the other hand, that same proscription contributed to the galvanisation of peronist identity and to its grouping together with those, who lacking a leader, turned out to be the only voice of the "peronist people": the trade unions. The great power that, as has been pointed out, unions had on the corporate scenario was nourished by that vicarious representation.

There was a growing weakness of democratic institutions, which facilitated and justified the repeated presence of the Armed Forces. The military irrupted once and again in politics, overthrew democratic governments in 1930 and 1955, put an end to the shaky legality in 1943 and conditioned another shaky legality in 1962. The Armed Forces developed another version of factitious politics: the enemy was first "the liberals", then "the anti-democratic henchmen of the fugitive tyrant", and finally, the communists. At each stage of the military escalation, the weak democratic institutions lost legitimacy, the political scenario became more definitively eroded and proved useless to deal with the conflicts of society or to, in the name of the common interest, achieve a balance between the agreements that the corporate interests negotiated behind their backs.

Representative institutions were weak in two respects: at expressing the common interest, first, and at becoming an effective balance and control in the particular negotiation of interests. The Argentine Republic adopted the federal form of government: autonomous provincial states and a Senate where the provinces were equally represented, independently of their population. This control remained far from the Congress and settled in different regions of the state, dependent on the Executive. The knotted bonds between a state with a strong capacity for intervention and an expansive and mobile society had a

double dimension: virtuous and evil, at least if contemplated from the perspective of the violent conflict of the 1970s and its subsequent decline.

One of the particular interests that first advanced over the common interest was that of the provincial governments. Argentina has a federal organisation, and the Senate was the principal place for the complex relationship between the national government and the provincial ones. It was there that subsidies to the poorest provinces and protection to regional industries -as sugar and wine- were negotiated. Other benefits to the provinces consisted of state jobs and of privileges to prominent politicians; and this multiplied with the democratic government. In 1932, the system of federal tax participation was established, and every province was assigned a fixed portion of the revenue. An equity criterion was established but, at the same time, the revenue function was dissociated from that of execution and spending. Free from responsibility and control, the provincial governments had the provincial budget at their disposal for patronage purposes, without any impediment.

Also, from 1930 onwards, the selective protection of the regional economy -cotton, *yerba mate* or tobacco- became generalised. As from 1958, in the context of a development policy -*desarrollismo*- there was a generalised promotion of industrial activities in the most backward provinces through tax exemption. All these mechanisms - which implied the transference of funds from the national budget to the provincial states- were object of complex political negotiations, where the exchange of favours was feasible.

The conflicts that clashed proprietors with proletarians became evident only on occasions, above all, at the end of World War I. From 1945 onwards, the state established a strong control over them. Economic prosperity and social mobility contributed, in general, to their moderation. These conflicts only grew in the 1960's, as the expansion lost more and more dynamism and the classic mechanisms of incorporation became less and less effective. Until then, not without open clashes, there had been, in general, a strong tendency to negotiation. It was in the hands of the vigorous warring corporations of sectional interests, that appealed to the state to define the rules, regulate the conflicts and guarantee the achievements, franchises and privileges of each one of them -be it a business, a syndicate, or a professional corporation. This

corporate appeal -demanding and suspicious at the same time- coincided with an advance of the state and its institutions, interested in controlling and regulating the different areas of society. Thus, corporate growth accompanied, *pari passu*, the development of the state, and both established virtuous and, at the same time, vicious relationships between them.

A characteristic case is that of the relationship between the state and the unions. Since 1916 the state had considered them valid interlocutors - President Yrigoyen (1916-22) used to mediate personally in the conflicts- and in the 1930's there were some outlines of regulation and state agreement. As from 1943, boosted by Colonel Perón and in the context of the peronist movement formation, the state established forms of collective agreement. Simultaneously, it promoted unionisation and developed a legal norm that stated the existence of a single union per branch of industry, "gremial recognition" granted by the state, and the deduction of the dues through payroll. This strengthened the unions, and, at the same time, gave the state great capacity for controlling and regulating their claims; capacity which became stronger because of the political identification between the government and the peronist working class. It was a complex relationship. Perón's government (1946-55) imposed a strict vertical leadership on the unions, but they in turn occupied an important position in the state: they participated in the definition of state policies, and in many cases, the state yielded to the vigour of the corporate interest.ⁱⁱⁱ What can be glimpsed here is the beginning of a state which combined high capacity for intervention and distribution of franchises with a scarce capacity of autonomous action regarding the interests encouraged by the state itself.(Torre, 1990)

After Perón's fall in 1955, the social conflict grew, fuelled by capitalist rationalisation policies and the political proscription of peronism. This proscription gave the labour union resistance a banner, as well as a political identity of great adding capacity, expressed in the demand for Perón's return. These were the central components of the political instability of those years, which culminates in the big crisis of 1969.(James, 1990) But together with this thread of history, spectacular and heroic, there is another one, less visible but equally important. The governments that followed Perón -some civilian, others

military- maintained the state capacity for regulating and giving franchises. On the other hand, the state permanently took interim decisions to face economic cycles, such as monetary devaluation, that set corporations in a state of permanent mobilisation in order to protect them, to press and negotiate. That way, corporations became stronger and expanded: trade unions, professional ones, that moved toward professional organisations, or employers' organisations -which were disintegrated when protecting their sectional interests and integrated when fighting the big battles over state policies. On the other hand, little by little, they placed their men in the state bureaucracy, or established close bonds with some segment of it, in such a way that they frequently succeeded in orienting the action of the state in defence of their own interests. The state was torn by this struggle and was unable to defend a general interest that should transcend the corporate ones. The consequence of this was the fragmentation and inequity of social rights and the weakening of a state whose high capacity for intervention contrasted with its limited strength to define a course.

Ten Years of Revolution and Counter revolution, 1969-1979

In 1966 the military were installed in power and established an overt dictatorship. Though initially successful, it exacerbated the socioeconomic, as well as political and ideological, conflicts -to a point close to civil war. In the middle of this process, an election call re-established Juan Domingo Perón in power. It was a moment of inflexion: the accumulated tensions could resolve in one way or other. There was a combat, resolved in 1976, with winners and losers. Since then, the military's policies has turned the country inside out like a glove, and defined the basic characteristics of contemporary Argentina. This movement, of climax and anticlimax, will be analyzed in this section.

The Revolutionary Wave

In 1966, the so-called "Argentine Revolution" took the disappearance of the democratic institutions for granted and initiated what was to be -no deadlines having been stipulated- an open-ended term transformation: first, in order to modify the economic basis, then to see to the social needs, and finally, to constitute a new kind of political representation, functional and organic. The dictatorial control of power saved the state from corporate ties and enabled it to impart a definite course to the economy, favouring the big companies of transnational capital. The growth of the leading companies generated favourable conditions for an important segment of Argentine companies, including the renewed agrarian sector. So, towards 1973 -and even when the already chronic problems of the cyclical crises were being felt- the production sector was fully working, maybe for the last time. (De Riz, 2000)

As the distribution of the fruits of that bonanza depended mainly on the decisions of the state power, over foreign exchange matters, salary, tax and others, growth exacerbated the traditional sectional conflicts; that reappeared as soon as the dictatorial power started to lose its initial impetus. The situation added to a more structural aspect: the trend to labor market contraction and the appearance of technological unemployment. This affected society's capacity for integration and mobility that had long characterized it. As from the middle of the 1960s, it could be noticed that this mobility was getting slower and slower, and that others were simply moving back, that a university degree did not guarantee a good social position, that a highly skilled worker would hardly become the owner of a small workshop, and that the so-longed for owned-house would only be a shack or an improved hovel. It should be noted here the roots of a major source of irritation in the social conflicts, that by then had intensified.

"Dictatorship" and "Imperialism", expressed in President Onganía and his Minister of Economy A. Krieger Vasena, were held responsible for this situation, and a vigorous social and political mobilization was mounted against them. It had a first spectacular episode in the *Cordobazo* of May 1969, and spread broadly over the years until May 1973 when peronism assumed power, then to continue -in the framework of a constitutional government- until March 1976. It was a revolutionary mobilization, according to the times. In the social

imaginary, it was nourished by the Cuban experience, the Latin-American guerrilla, the European students' movements, the third-world catholic priests. Such diverse messages, irreconcilable in many aspects, combined and merged with a specifically local demand; less reflective but deeply rooted in experience: the "return of Perón", which to his old and faithful followers and to the many newcomers to the peronist movement was to be, without doubt, a panacea.

It was a social and cultural process with few precedents, because of the speed and depth at which it took root and its overwhelming effects. For a wide sector, the ideal society was within reach: a joint action of the people was enough to change the facts of a plastic, transparent reality. It was an intrinsically good action, even though they should have to resort to arguable methods. It was an action to which only the people's enemies could oppose. All kinds of organizations emerged that linked their particular practice with the big transformation: labor unions and students were joined by the small businesspeople, artists, psychotherapists, architects, priests and even military men. Creativity in those years was notable, as was the emergence of solidarity, sacrifice and other similar values. It was a "people's spring".(Brennan, 1996; Pucciarelli, 1999; Altamirano, 2001)

But the political formula was mediocre and slanted. An important piece of information in the light of subsequent experience -something irrelevant to contemporaries- was the poor assessment of democracy. It was the culmination of a fast and deep deterioration, attributable to the deficiencies of previous local experiences and to the worldwide attraction to other alternatives. It was not only democratic proposals that were absent, others failed too: those strictly founded on class confrontation, such as the antibureaucratic unionism born of the Cordobazo. Armed action had instead a strong predicament, as will be immediately seen, although it also came up against a limit: a good part of the mobilized were hopeful, in the first place, about Perón's return. What finally prevailed was the proposal that combined a "revolutionary" imaginery with that mythical peronist aspiration. It was what Montoneros achieved, an armed group whose foundation act consisted of an

assassination. Through them, another dimension of the political climax is reached: violence. (Sigal y Verón, 1986; Gillespie, 1987)

Towards the end of the 60's, violence became the main political weapon. It was not new, but till then it had only been concerned with marginal episodes. As from 1916, with the beginning of mass politics, there was a growing verbal appeal to a regenerating violence, together with fundamentalist conceptions of nationality and politics, leading to the exclusion of the enemy. (Zanatta, 1996). But this was little more than talk. In 1956, with the shooting of peronist militants by a firing squad, there was a quantum leap. Then, through the 60's, the guerrilla grew inspired by the Cuban experience. The military, in turn, learned counterinsurgency techniques and gradually pushed the state into clandestine action. Often justified by the enemy's action, violence was considered a suitable instrument for change; what's more -it had a kind of ring of Sorel and fascism about it- violence was the founder of revolutionary practice.^{iv} At the beginning of the 70s, any assassination was greatly celebrated. The cause may have been unknown, but people's opinion granted its "executioners" the benefit of the doubt: there must have been a reason.

The Return of Perón

In 1973 the military government, in order to stop the revolutionary mobilisation, reached an agreement with the political parties by which elections were to be held without any proscriptions. Perón, who reached power after winning two successive elections by an overwhelming majority, accepted these conditions.^v What was established was a plebiscitary more than a republican democracy. In Congress, the political minorities made a big effort to help the President maintain legality. But society conflicts, which were many, were processed in spaces other than the institutional ones, in accordance with rules by which strength, organisation and even military training were put before reasonable discussion.

In 1973 there was a general consensus: Perón was the only one who could unknot a crisis that had so many sides. In the first place, the economy - endangered by world problems like the first oil crisis, for example, and by its own and accumulated difficulties such as inflation and distributive conflicts-

resorted to recession as a remedy. Maybe it was all about a new cyclical difficulty and recovery was possible; maybe the vast capitalist restructuring of the century's last decades had already indicated that a growth based on domestic market and state regulation had reached its limit. In any case, the 1973 problems translated into growing difficulties for the secular process of social amplification and integration, and into the impossibility of satisfying the illusions of those who had believed that the return of Perón would mean the return of the 1945 bonanza.

Perhaps it was due to those difficulties that the known corporate conflicts exacerbated and that it proved so difficult for Perón to agree on transactional solutions and to set his reconstruction of the state's program, founded as in the old times on corporate agreement. In order to achieve this, he put his personal prestige at stake, backed by massive plebiscitary legitimacy. It did not work. At the end of 1973 the cyclical crisis activated the traditional reaction from the parties involved: the corporations devoted themselves to press the state for concessions, imposing the control they had achieved over some of its portions. There was a new fact: from 1972 popular mobilization came out of semi-clandestine activity and went out into the streets. Once again, Montoneros showed a great capacity to include it as part of their base organisations -all of them *Juventud Peronista* members- which radicalised the corporate struggle. Thus, from the factories, the *Juventud Trabajadora Peronista* put pressure on the heads of the unions, who were then left with very little room for manoeuvre. Proprietors, for their part, preferred not to oppose the conditions imposed by the unionists, and limited themselves to translate the bigger costs to the prices. Perón managed to get the "Social Pact" signed, where both parties promised to keep prices and salaries stable. But it proved the structural infidelity of the signatories. The peronists, old and new, could offer the sacrifice of their lives, but not of their interests.^{vi}

Although the internal conflict of peronism -*la patria peronista vs. la patria socialista*- occupied a central place over these notable years, it was the collapse of the "Social Pact" that marked the failure of the peronist government. Perón hardly managed to keep a precarious balance between the

businesspeople and the trade-unions; a balance that collapsed shortly after his death, in July 1974. Afterwards, the corporate struggle got out of hand and the economy went into the known spiral of inflation and paralysis. Simultaneously, there was a collapse of the mechanisms of control which had managed to keep the political struggle that divided peronism within relatively civilised parameters.

From 1972 this struggle resolved itself in the streets and consisted in mobilising organised masses of people to win political space through a display of number and organisation. Gradually, it was substituted for assassination, and the Montoneros military apparatus and their war went underground; the Armed Forces replaced the paramilitary groups in clandestine repression and in 1975 they obtained their first outstanding success in exterminating the guerrilla focus mounted in Tucumán by the trozkist *Ejército Revolucionario del Pueblo*. In March 1976 Isabel Perón's government collapsed and the Armed Forces took over.

The Old and the New in the Last Military Dictatorship

As from March 1976 the Armed Forces put an end to the crisis. The military way to resolve it was exceptional, out of measure and horrifying, though not unexpected or absolutely original either. The Process of National Reorganization -such was the name adopted by the last military dictatorship- worked on materials already known by Argentine society, and maybe it was because of that familiarity that it achieved the minimum consensus it needed.

The violence exercised in a clandestine way by the state as from March 1976 reached extremes never seen before. There were massive numbers of deaths and "disappearances"; also concentration camps, torture and extermination, plundering and kidnapping.^{vii} It is true that violence was already well-established in political life; the novelty here was the scale: the differences in numbers made differences in quality. Above all, what was original was its systematic application by a clandestine state that operated during the night and pretended normality during the day. Thus, besides killing, it pulled down

faith on laws and institutions, which were systematically violated by those who were expected to guard them.

The Process sustained that a strict authoritarianism and concentration of power -not limited by legal restrictions- would solve the problem of the state's lack of authority. This idea had precedents, not only in previous military governments but also in democratic ones that, as was seen before, were very little republican. What was striking was the utter failure of the Process that was not even able to establish a point of concentration of power: general Videla, president during the first five years of the Process, was a mediocre protagonist and so were his successors who even exceeded his mediocrity. Each branch of the Armed Forces assigned itself an area of influence for the exercise of repression and in government; the heads of the military corps turned provincial governments into their own fiefs, so the complex processes of negotiation of supreme interests continued at the very heart of the state in an even more spurious way. (Quiroga, 1994; Novaro y Palermo, 2003)

There was another classic issue that characterized the Process: the will to identify with the Nation. When the Process stated that they were assuming the custody of supreme interests, they enabled the eradication of dissenting or alternative voices, not only in a discursive way as had been till then, but also in a material way. Both ways complemented each other: any dissidence was attributable to the "anti-nation subversion" and was, by definition, outside the Nation. They even appealed, with success, to Argentinians' nationalist passion. It was not difficult. Since the beginning of the century, it had always been available to support any kind of enterprise, be it of a sportive nature or military, that should materialize the Argentine "destiny of grandeur". The military of the Process made use of it in 1978, threatening with invading Chile, and finally in 1982, with the Malvinas War. They almost succeeded: the invasion of the Islands brought about a moment of social alienation, and many Argentinians, including enemies of the Process, believed that the national fate was at stake in this warlike adventure. For sure, the War decided the fate of the dictatorship, not so much for its plans to be acclaimed for a war triumph but for its utter military failure.

The economic policy of the Process was in consonance with the purpose of reducing a political conflict that, according to a shared diagnosis, had its roots in corporate struggles. J. A. Martínez de Hoz's policy, who led the economy between 1976 and 1981, served, along a different path, the purposes of the repression: to lessen social conflicts -and in particular the ones from the industry-, to take the so-called "subversive" away from their power base and at the same time reduce the prickly struggle between proprietors and workers' corporations and the consequent mediating action of the state. In accordance with the new neoliberal doctrine, the market should discipline and suppress the clashes that exceeded the state capacity for control as well as the intercorporate negotiations considered spurious and colluding.

The solution was the opening of the economy to the international financial capital and the reduction of state intervention. A bleeding, that made the patient's fever drop but left him exhausted. It was possible to reduce the potency of the actors of the industrial conflict -the sectional corporations of unions and proprietors- and at the same time the tug-of-war prize got smaller: the state began to be dismantled, by reducing its capacity for intervention. This path, that would have affected too many interests, was trodden only halfway; the military did not relinquish making a profit from the state companies and, while they were at it, enriching the contractors: then, new economic groups grew by squeezing the state, and so became the support of the military regime. (Schvarzer, 1986; Canitrot, 1979)

The state decadence deepened with the corruption of its institutions. Broad sectors of the Armed and Security Forces participated in the plundering that accompanied terror. They turned the state weapons into instruments for private businesses, thereby definitely losing their ethical and institutional limits. They were joined by a good part of the judges, who learned to tolerate, cover up and participate; a path that was also taken by many high-ranking government officials. The businesspeople got used to playing by these rules, getting ready for the privatisation process that was to take place after 1989. Corruption reached the legal norms themselves: the state, even in its daytime part, displayed an arbitrary use of authority, subordinating the law to a discretionary exercise of power.

So, to those practices of state terrorism was added a second chain of complicities that sank deep in society and which became an accepted habit. It left a legacy of corrupt officials, police officers and judges who were used to living in a state of corruption, and who had a poor idea of what observance of the law was, always subordinated to other practical necessities. There was a successful pedagogy of corruption and arbitrariness that made the state collapse, as well as its credibility. (Vezzetti, 2002)

The Argentina of Decadence

The policies started in 1976 - that were maintained with only minor changes along the fourth part of the following century - defined the main features of a new Argentina, decadent and impoverished: an economy which was opened to fluctuating financial capitals, a deeply indebted state, a production machine in total ruin, high levels of unemployment, an impoverished and polarised society and an eroded state, weak and impotent. Paradoxically, this Argentina in decline was to know at last, in the last two decades, republican democracy, and believed in it. In this section we will analyse this curious coexistence, that culminated in an abrupt ending.

The Neoliberal Heaven, Argentine Version

The policies of 1976, besides contributing to a drastic solution of the social conflict, were in line with the new neoliberal order in the world: the opening of the economy, removal of all controls over financial capitals, suppression of state subsidies and reduction of social spending. The general line of the *Washington Consensus* could be carried out in a different way, provided graduality, foresight and equity were taken into account. On the whole, the way adopted in Argentina was the worst.

From 1978 the state remained strongly conditioned by the international credit organizations, that exerted pressure to avoid backward steps as regards the line adopted in 1976. The first president to reach the democratic stage,

Raúl Alfonsín (1983-89), more interested in ensuring a "democratic transition" than in economic transformation, waited until the last years of his term to face the reform and modernization of the state, in its most gradual, farsighted and equitable way. But peronist opposition that raised the classic nationalist banners blocked him. In 1989, amidst a crisis that resulted in hyperinflation, he was succeeded by peronist Carlos Menem (1989-99) who abandoned those banners, fully assumed the reform and readjustment program and applied it in its simplest, most brutal and destructive version: unrestricted financial opening up and an absolutely reckless privatization of state companies.

His initial success that he shared with his minister Domingo Cavallo coincided, as in 1978, with a period of great influx of foreign capitals into the country. He thus managed to stabilize the the peso, pegging it -under the Convertibility Law- to a dollar that was flowing in freely. But what should have originally been a disciplined and fiscal austerity program turned out to be, due to the influx of volatile capitals, a generous sharing of profits, that liquefied possible oppositions and even benefited broad sectors of the middle class, who increased their consumption and supported "the Convertibility". As in 1981 and 1989, the limit of Menem's success was marked by the end of the easy influx and the withdrawal of speculative capitals, which had started to be noticeable in 1997. The foreseeable collapse fell over his successor's shoulders, radical Fernando de la Rúa (1999-2000), whose last-minute economic measures -the *corralito* on bank deposits- unleashed the monetary crisis of 2002.

Thus, viewed as a whole, from 1976 there were two strong changes of direction in order to make the economy, society and state take a "Copernican turn". In what way did the country change? No doubt the "new Argentina" would be unrecognizable to those who had known the "old" one in 1973. The state got rid of its public service companies, by recklessly handing them over to the oligopolies, with no restrictions. A good part of the production sector geared to the local market was destroyed; the effect over the employment and job positions was not compensated by the expansion of commodities of low added value: agroproducts, oil, steel. Unemployment went up above 20%, underemployment not taken into account. In the long term, it is difficult to

imagine the place an economy thus transformed will occupy in an integrated world economy: it is not clear what the country can do better than others or whether it will succeed in ensuring a modern and efficient sector. In the short term, the issues are indebtedness and unemployment.

Leading actor in the reconstruction phase and responsible for its virtues and defects, the state lost protagonism, initiative and even unity. The foreign debt limited its sovereignty. Absolutely unable to pay it, it had to resort once and again to international credit organizations, just to be given new instructions and suffer more impositions. The adjustment affected the workings of the state, without reducing the degree of its colonization by corporate interests. The Convertibility Law was an impediment to carry out monetary policies. Due to the state's weakness, the privilege mechanisms far from being reduced multiplied themselves. The administrative decay limited its revenue capacity.

With less income, the state cut spending drastically where the cut was easier: in education, health and public security. On the other hand, state sections concerned with the control of business sectors deteriorated, partly because of deliberate decisions -such was the case with privatisations - and partly because of corruption. As old as the world, it grew impressively in two moments: during the last military dictatorship and in the last ten years of Menem's government, when the country was being run by a true group of gangsters. Nothing was absolutely new, but also here, a difference in quantity makes a difference in quality.

In short, in the Argentina of decadence, and due to a series of concurrent factors, the state has turned out to be less and less capable of financing itself, of acting in an autonomous way, of imposing norms, of management. Besides, it has been systematically discredited and turned into the *bête noire*, for either legitimate or illegitimate reasons. Today, even the best rulers would do very poorly with such a tool.

Unemployment is the second overwhelming fact of the new Argentina. The country today is very far from the full-employment situation of the 1950's: the generation of young people today has not yet known what a stable job is, and neither have most of their parents. The unions, an expression of the democratic as well as corporate Argentina, have lost their relevance and are of

little significance in the vast world of poverty, where the borders between the "working classes", the unemployed and the "dangerous classes" are not easy to define. In terms of identity and organisation, the place of the unions has been taken by the organisations of the unemployed, the *piqueteros*, who, like them, are capable of giving support, fighting in an organised way and of negotiating the bread crumbs that the state still has for social care. On the other hand, the middle classes, symbol of a democratic and mobile society, are in full liquefaction; they provide the great majority of immigrants to other countries, many others sink into the world of poverty and, one after the other, start losing all signs of dignity.

In sum, it is difficult to represent Argentine society as it was in the old days: democratic, mobile and integrating. The "winners" segment is not small: there are enough of them to encourage a world of consumption and visibility. But they must fence themselves off and protect themselves. The mobile society - continuous, with no class cuts- is replaced by another where polarisation leads to segmentation. Social citizenship, the final achievement of the Argentina of expansion, has been swept away: stable employment, social security, and retirement are just exceptions. Social violence and delinquency lead governments to apply a "firm hand" that questions the civil citizenship severely. What about political citizenship?

The Paradoxical Liberal Democracy

The curious thing about this story is that for the first time, from 1983, Argentina got to know a political democratic regime, liberal and republican, at a moment when its traditional democratic society was near extinction.

The military Process was decisive in this construction of democracy, almost *ex novo*. Maybe because, by taking them to extremes, it showed very clearly the blights of previous political experiences, either dictatorial or democratic. Maybe because the mere mention of it was enough to unite the wills and minimise the differences. The truth is that from the ruins of the military dictatorship, eradicated in 1982 after the Malvinas defeat, a new conviction emerged in people as regards the capacity of democracy to restore

peaceful coexistence. At the same time, a completely new conviction took root that concerned the goods of pluralism, diversity and confrontation: in politics there could be adversaries, but not enemies.

There was also a new assessment of law and forms. In the first place, by supporting everything: a consensus about the absolute value of human rights and an absolute rejection of violence. Civic enthusiasm translated into relevant political practices: massive affiliation to political parties, its formal organisation, and renewal of leaders and also of ideas. No political party now, not even peronism, expected to be the single reincarnation of the nation.

The new democracy had original weaknesses. Probably, there was among the parties more search for consensus than a deep debate on alternatives; though concealed, there was a tension between the republican democratic practice -with its consensual imperative- and the taking of decisions that implied options and ruptures. On the citizens' part -to whom the time had arrived to settle old scores with a once oppressor state- there were more claims for rights than for assumption of duties. Democracy had to satisfy everybody. It was a naive democracy. But it is hard to imagine that democracy -after all, a profane political system that must be founded on a shared conviction- could constitute itself without that faith, which was perhaps out of proportion.

During these initial years -until mid 1985- Argentinians took a break for the utopia, as they had done, in a different context, at the beginning of the sixties. During this brief period of time, not only was it forgotten that Argentina had changed in an irrevocable way after 1976, but it was also believed that the old corporations, protagonists of old and hard conflicts, were tamed, caught in the net of political parties, representation and civic spirit. It was soon to be realised that this was not so.

The progressive impetus of the first democratic government came to a halt when faced with the unions, that refused to be transformed; with the Church, that fought hard on the secular field, and with the Armed Forces, that bore the trials of their already retired old chiefs -the judicial sentence to the members of the Juntas was the most important achievement of the citizenry-, but resisted with success the trials of the officers on active service. Alfonsín's

government failed in its attempts to revise the foreign debt or in organising a front of debtor countries. As regards the concentrated economic groups, the battle was not even insinuated. As a matter of fact, two limitations had been verified; that of the instrument for action -the state- without the ability of other times to modify the spontaneous order of things; and that of the citizenry, a political actor of immense potential for some actions but useless for others. The dramatic episode of Holy Week of 1987 put and end to citizenry's illusion.^{viii} The end of this "peoples' spring", ephemeral as all of them are, made way for a less passionate relationship between the society and its actors and their rulers. It was the beginning of an indifference that, in the long run, turned into apathy -except for the brief messianic enthusiasm stirred up by Menem in 1989, and in its last phase, full of fury and discontent.

But simultaneously, the democratic system had taken root; had become a normal practice, that did not need the daily manifestations of support. Its achievements were not small: regular elections, at least every two years, and three governments of opposite signs -Alfonsín, Menem and De la Rúa- that succeeded one another in less than twenty years. Institutions that worked, parliaments that legislated and judges that judged with some autonomy are significant achievements, if compared with the previous military experiences, and not only with them. Although obviously the imperfections are overwhelming in relation to what it should be or to the constitutional letter. But it is well known that any really existing democracy will be inferior to its model.

In what way did this really existing democracy diverge from the republican-democratic model which it chose to compare with? In the first place, it submitted to reality, admitted that institutions supported by suffrage and founded on common interest -that governed a dismantled and ruined state- could not alter many of the already defined characteristics of the economy and of the governed society, nor affect the action of corporate interests installed in the state. It was an ideological triumph of the One Idea System. This acceptance of reality, that was already visible in the second part of Alfonsín's term, was a full acceptance in Menem's period. Even though democratic institutions did do something, they did not do well in their role of keeping the balance of corporate powers.

In the second place, the balance of powers characteristic of the Republic was altered. The rulers had to rule in the middle of storms and turbulence. In the name of governability, the Executive made incursions into the other powers, thus altering the republican equilibrium. Aided by the critical conjuncture which he had begun his term with, and also by peronist traditions, Menem advanced a lot along that path and his leadership, almost like that of a prince, broke away considerably from the republican tradition. However, at just the right moments, the Parliament -not so the Supreme Court of Justice- remembered that there were some limitations.

In the third place, the "political class" did not excel. On its part it was efficient and professional. The parties produced acceptable elections, with low costs in matters of confrontation and polarization: representatives were flexible at the moment of making agreements. Everything was done in a very professional way: it compares with advantage -since there is no other situation similar to this one- with the period 1916-1930. On the other hand, it was not exactly a "political class" as it had been conceived of by Gaetano Mosca: it did not have tradition in government, nor examples or values to confront with. As regards government officials, they inherited the common practices of the Process, already rooted in the institutions.^{ix} The initial civic impetus being over, and the inattentive society looking from a distance, politicians generated their own corporation, made up of privileges and dishonest businesses, and in that way, to a greater or lesser degree, they all became corrupt; that is to say they behaved almost in the same way as their fellow citizens in the civic practices.

It is true that with Menem, there was an organized predatory gang installed, but it is also true that the way had been paved. In short, they were neither better nor worse than the society they came from. Nor were they good administrators, but honestly, they had very little margin for modifying reality.

The Crisis: "Finale e Obertura"

The Deep Pit of the Crisis

The prosperity of world capitalism, poured onto Argentina by way of broad foreign finance, veiled this decadence for a few years and generated excessive expectations as regards the fruits of the Convertibility. Problems started to become evident towards 1998 when, as the incoming financial flow was slowing down, a long recessive cycle began. The government programme of the Alianza, that beat peronism in 1999 proposed a more rational and transparent administration, but insisted that the Convertibility should be maintained, in part because nobody could imagine how to get out of it without catastrophic consequences.

Today it is being discussed whether the cards had already been dealt when Fernando de la Rúa assumed power (1999-2001), or whether his evident ineptitude was decisive for the unleashing of the crisis. While the network of interests articulated around the political leaders aborted the weak attempts of state reform, the logic of Convertibility was forcing the deepening of the adjustment policies, in a vain attempt to bring back the erratic capitals.

The cataclysm took place by the end of 2001: a run on the banks, the freezing of all deposits -the famous or infamous *corralito*-, and an asymmetric devaluation. In parallel with the social protests -some spontaneous, others prompted by the peronist party machines- and finally the political crisis unleashed by the peronist governors led to the President's resignation. In a sense, it was a real coup d'etat, carried out within the framework of the institutions. But the Legislative Assembly was able to save the thin thread of legitimacy, by successively appointing two presidents. With Eduardo Duhalde - peronist candidate for the presidency defeated in 1999- a minimum centre of political authority began to be re-established, which for several weeks had kept revolving in a vacuum, like a crazy wheel .

There were several consequential signs of the crisis. The lack of a national currency and the proliferation of provincial bonds of dubious value. The questioning of the business agreements. Growing insecurity, intensification of crime, and finally the dubious existence of a judicial order. The crisis advanced. The problems of democratic institutions kept being neglected for others that concerned the feasibility of the state itself. In a more complex way than the hyperinflation of 1989, the 2002 crisis put an end to the

illusion of Convertibility and created the conditions for looking, deeply and nakedly, into Argentine problems in a mature way.

That is the way it happened in many spheres. But 2002 was above all the year of the crisis, of rage and Jacobins. There was a mobilized society, blind and furious, that charged at an enemy without knowing very well who they were falling upon: they did not know exactly where the good was and where the evil, but the slogan *que se vayan todos* was a way of covering the sky with a sieve. Among the very many who shouted blindly for what was theirs, there were those who thought that the whole rotten institutional building could crumble down. Thus, a total reorganization was claimed for, a kind of constituent assembly, where, apart from the so much questioned political mediation, the pure forces of society could make themselves heard. A new illusion was being outlined: *regeneration*

Surprisingly, history took a different course. At the deepest moment of the crisis, there was no proposal put forth that was not democratic. In the second half of 2002, the call for presidential elections brought the politicians up to the surface again, at times through the traditional parties and at times through groups with new names but that were not too different from the old ones. The powerful irruption of former president Menem, whose roots in peronism were still strong, enabled a wide part of the political spectrum - dismantled until then- to see him as a negative referent against who they should join together. Although his final withdrawal made it impossible for history to be fully carried out, Menem helped to shape the classic democratic pattern of people joining together to defeat the people's enemy. Sworn in in May 2003 with few actual votes but many potential ones, president Kirchner - after all, a member of the political class- succeeded in drawing a political power from that constitutional mandate that was unthinkable for those who, just six months before, had predicted that elections would only accelerate the disintegration of the political regime and of the state itself.

Interesting Perspectives

We do not know whether this surprising turn of the crisis is a large bend in the course of the river, or just a meander. In any case, it allows us to view the panorama of the crisis from a different angle, which turns out to be very interesting. The crisis that finished off the old society, integrated, mobile and democratic, created new actors, such as the *caceroleros*, *cartoneros* and *piqueteros*. The first ones expressed the furious and irrational protest of the defrauded; the second ones, resemble the invasion of the armies of darkness over the "normal city"; the third ones, unemployed that manifest by blocking roads, are the terrible and at the same time fair voice of the excluded. It is easy to see the sign of disintegration in them and even of the explosion of social order. However, they are neither anarchic nor destructive: the *piqueteros*, for example, take to the last consequences the long time-known technique of organizing to claim for benefits from the state. Some of them will have a more lasting existence than others, but all of them show new kinds of organization, sociability and sectional claims. In any case, these new organizations remind us that the ways out of a crisis, never linear, usually surprise those who participate in them.

Something similar happens with democracy, for the crisis faced it with its moment of truth. Since 1983, and to analysts' astonishment, a working political democracy had coexisted with a society that was no longer democratic, but which, unlike others, had once been democratic, and would still remember it. For a number of years many speculated about how long this divorce could last: a democratic political system in a society that was emptying itself of citizenship; a system founded on political equality -one man, one vote- but incapable of modifying the society tendency towards growing inequality. It is difficult to imagine that it can stand on its own, if there is not, among the represented, some of the holy fire of faith, specially if this lack of faith is not compensated with some positive assessment of government effectiveness. The initial democratic illusion had, by the end of 2001, turned into fury and detachment. The whole scaffolding shook; but it did not collapse; there were no swords produced or messiahs. Political representation may be in crisis, but at least there is still the idea that a solution should be found within the

framework of an institutional order: weak, forced, but which, in some way, stays up.

The possibilities of survival and the consolidation of democracy today depend largely on the demonstration of some kind of efficiency on the part of a state democratically ruled, for the prominent nucleus of the crisis, and which cannot be postponed, lies in its limited capacity to execute the policies developed by the governments. In the middle of 2002 there still seemed to be a previous issue: the re-establishing of a minimum centre of institutional and political authority -by then, the image of a power vacuum seemed relevant. Halfway through 2003, this seems to have been achieved, because elections have bestowed an important constitutional authority on the new president and also because they have begun to solve the issue of leadership in peronism.

The second task will be to start clearing the state agencies of those who have colonised them. It is not only about doing away with some conspicuous figures; it is about breaking up the networks of relationships and interests that for twenty years have constituted the underworld of democratic politics, and the continuation, sometimes without major changes, of others already knotted long before that, even during the vital Argentina. Many of the initial actions of the new government go in that direction. It is just the beginning, the first round; and it could be said that there is an interesting fight coming soon. In parallel, the new government will have to face a more civilised but equally hard negotiation: to obtain a bigger margin of manoeuvre from the foreign debt holders and their representatives.

If after four years this administration manages to recover a certain margin of autonomy and at the same time start the reconstruction of its bureaucratic organizations as well as re-establish a minimum base of institutional ethics, it is possible -I do not dare say 'probable'- that a discussion about the country's future course could then be considered, about models or projects, or simply about how to transform Argentina's catastrophic entry into global capitalism, into a controlled and well-thought-out integration. The state will be a lot different from the one the potent Argentina was used to have; it may not be able to make big decisions, deep and dramatic; but at least will

have to be able to manage reasonably well a society that wants to find a right combination of capitalism, democracy and welfare.

In a near future, before these changes are made possible and so modify the picture, the issue of peronism and its leadership must be resolved. It seems clear today that only the peronists can rule this country, for Argentina has not known anything more potentially dissolving than a peronist opposition. The issue of who the boss is, who is in charge, who rules peronism, remains to be solved within peronism itself.

Peronism has always been a leader's movement. With Perón dead, the movement had great difficulties in finding its way until Menem built, in a technically impeccable way, his leadership. It is obvious that, today, this position is vacant. Who will take over? The chief of the state is, naturally, the principal candidate. But if Kirchner aspires to found a new leadership, he will have to force the big provincial barons to yield to his authority, one by one, by alternating reward and punishment, the carrot and the stick. That is the way Menem did it on his occasion. Kirchner's own power base is small, but he has taken the reins of government, and that is important. In any case, the big battle will take place in the Province of Buenos Aires: that is what happened with Roca in 1880, or with Yrigoyen, when he expelled the conservatives in 1917, or with Perón when he eliminated Mercante in 1950. It is not easy to know how this story will end, which, again, looks interesting.

NOTES

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- i English translation by P. Rabinovich. For a more extensive presentation of the issues stated here, let me refer you to my [A History of Argentina in the Twentieth Century](#), translated by James Brennan. The Pennsylvania State University Press, 2002.
- ii Professor at Department of History, Facultad de Filosofía y Letras, Universidad de Buenos Aires. Senior Research, del Consejo Nacional de Investigaciones Científicas y Técnicas, Argentina. Sus investigaciones se refieren a la cultura política en la Argentina en el siglo XX, y en particular al papel de los católicos y la Iglesia. Es autor de [La crisis argentina. Una mirada al siglo XX](#), Buenos Aires, Siglo Veintiuno Editores de Argentina, 2003 y [La argentina en la escuela](#) (con Luciano de Privitellio, Silvina Quintero e Hilda Sabato), Buenos Aires, Siglo Veintiuno Editores de Argentina, 2004
- iii A good example of this swaying and interpenetration is the failure of the government unified health insurance project of 1946, blocked by the syndicalists in favour of the incipient "obras sociales" (decentralized social security funds), modelled on the Hospital Ferroviario (railway workers' Hospital). Every union would have, in the long term, the social benefits they could afford with, the contributions payed by their members or with those they could manage to negotiate with the employers, in spite of the fact that this inequitable regime questioned the peronist proposal of "social justice". (Belmartino, 1996)
- iv *Montoneros*, the most successful guerrilla group, born of a cold-blooded assassination: that of general Aramburu, in command of the military coup that overthrew Perón. During his existence he practised a real cult of heroic death. His enemies within peronism, linked with minister José López Rega, were not too different: they had as the slogan of one of their publications "The best enemy is a dead enemy".
- v In March 1973, with the proscription of Perón, his candidate, H.J. Cámpora, won the elections. He resigned six weeks later, thereby paving the way for Perón's re-election.
- vi In his last public speech, in June 1974, Perón complained about that infidelity, offered his resignation and stated that shouting *La vida por Perón* (The life for Perón) was not enough any more. Shortly after that, he died. (Torre, 1983).
- vii All this has been sufficiently documented in the report of the National Committee on the Disappearance of People) published with the title [Nunca Más](#) (1984).
- viii In those days a reduced military group mutinied, claiming for the cessation of the judicial summons to the military officers involved in the repression. The civil support to government was absolute, and the mutineers did not find any explicit support among their comrades in arms. However, no military would repress them. A short time later, the Due Obedience Law was passed, that exonerated those who had "obeyed orders" from any responsibilities.
- ix The Police of the Province of Buenos Aires was a extreme case. During the *Process* they participated in the clandestine repression and in the looting of the victims' possessions. Later they actively joined the life of delinquency, that was organized and covered up by them.