

## THE ARGENTINEAN MYSTERY.

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The current collapse of Argentina has resuscitated the classic discussions on the stagnation of the country, in the new reality of misery and massive unemployment. It is already known that the crisis in course does not have precedents from the depression of the 30's and it is comparable to the registered during wars or natural cataclysms. But a review of different interpretations indicates that the causes of this degradation are still mysterious for many analysts. In general, idiosyncratic and institutionalist explanations prevail, which also serve for foundation to many economic characterizations of the orthodoxy and the heterodoxy. These approaches ignore the capitalist origin of the crisis, their peripheral specificity and the devastating effect that neoliberal policies have in a structurally unfavorable framework for accumulation.

### CYCLOTHIMIA, DEPRESSION AND DIFFERENTIATION.

Those in favor of the idiosyncratic thesis underline three negative aspects of the national temperament: the cyclothimia, the depression and the pleasure for the differentiation. The group of authors that stands out the first defect highlights that the misfortune of the Argentineans originates in abrupt turns from the "collective euphoria to the widespread pessimism" (A.Oppenheimer), from the "exulting tone to the melancholy" (A.Ventura) and from the sensation of "greatness to the self denigration" (V.Muleiro). Some detect the root of this sway in the "omnipotence and the addiction to the magic thought" (J.Abadi) and others in the "negation to see the reality" (M.S.Quesada) or in the "sharp anomaly" (J.Miguens)<sup>ii</sup>. But the relationship that they find between this oscillation of feelings and the national decadence is not very convincing.

Cyclothimia has been pointed out by some economists as the origin of unexpected market movements, financial collapses or risky investments. This psychological fundament does not take into account the decisive forces of those processes, but at least it illustrates the immediate behavior of its main characters. When this approach is applied to the analysis of a long term economic crisis, that limited clarification disappears. However, it is unknown how the same emotional uncertainty that induced extensive periods of growth also determined a lingering stagnation.

But the bigger problem of this mental pattern resides in the not differentiated evaluation of the subjectivity of a population. Instead of investigating how the owners of the power behave, it is pretended to elucidate "how all the Argentineans act". And this query does not have a uniform answer, because who manage the country do not perform in the same way that the majority of the population. When identifying both sectors under the umbrella of a "national soul", the same relevance is assigned to the steps that Macri and Duhalde adopt, as well as to the reactions of the unemployed, workers or the small savers.

This elementary distinction of social groups is also ignored by the depressive thesis that attributes the national misfortunes to the lack of enthusiasm. The "nostalgia, the negative thought and the sadness" (M.Grondona) are pointed out as resultants of the "initial overvaluation" and "to a belief that we were made for another thing" (E.Valiente Noailles). It is affirmed that this deception has created a "permanent grief in the country of tango", accentuating "the feeling of loss that accompanies immigration" (A.Moffat) and encouraging a noxious "propensity to psychoanalysis" (F.Gonzalez)<sup>iii</sup>.

But from this portraying of the "Argentinean being" completely opposed conclusions could be deduced, because the perception of setbacks also induces to the effort and persevering behavior. Nevertheless, it is also necessary to suppose just the opposite, because in the kingdom of manners any hypothesis is valid. This multiple use

of the Argentinean pessimism does not differ much of the applications given to the Russian mysticism, the German discipline, the British tenacity or the French genius. These features have fed arguments to explain any result, of any process and at any moment.

The thesis of the Argentinean depression is, for example, used by the North American officials to justify the failure of its best neoliberal student of the South Cone. They proclaim that the pessimism has transformed Argentina into an "unviable country" (Washington Post) and in a "banana republic" (Wall Street Journal) that "deserves to suffer" (officials of the IMF). The imperialist political function of these characterizations it is as obvious as the inclination of the colonized minds that stand out the "insignificance of our country" (C. Escudé) or the necessity "to force it to complete its commitments" (R.C.Conde)<sup>iv</sup>.

The third idiosyncratic feature, discovered by the divers of the national temperament, is a pleasure for the differentiation, derived from the "arrogance", the *viveza criolla* (national roguishness) and the "laziness" (M.Aguinis), in a country "that never put on to work" (A. Touraine). This absence of "working culture" (R.Rabanal) is viewed as an inherited bad habit of the "Hispanic tradition of low productivity" (F.Delich) and as a result of "the wealth with little effort" (T. Di Tella) that generated the "myth of the easiness" (L.Gregorich)<sup>v</sup>.

But this old liberal thesis has lost validity. Traditionally it projected to the whole population the leisure of the landowners, attributing to the vagrancy of all the Argentineans the unproductive use of the natural resources. This portrait does not even offer a distorted image of the reality at the present time. How much sense has to speak of the "laziness" of the population's 44% affected by the open and hidden unemployment? To rave against the "lack of labor culture" of the workers that suffer weekly days of 55 hours without earning two of every three extra hours, it is directly ridiculous. More than an insult, it is a symptom of total loss of the sense of reality.

The wandering about the cyclothimia, the depression and the laziness repeat the speech of "*Argentina potencia*" that the dominant class diffused when they sought to imitate the "North American destiny". Of that delirium there are no even memories. At the moment the metaphysical inquiries try only to describe a failure.

But as it happens in other countries, the interest for the national character has been substituted by reflections about the identity<sup>vi</sup>. The opinions on the "essence" of our people are replaced by studies about customs, cultures, values and artistic productions. Instead of investigating how the geographical environment, the historical conditions and the political circumstances configure the peculiarities of a community, it is attempted to discover the intrinsic, perpetual and permanent features of the nationality. The observations about the tango, the nostalgia and the roguery serve to this purpose that entertains many readers without offering any serious hint for the investigation.

#### VIOLATION OF THE LAW AND GUILT OF THE POLITICIANS.

A second group of authors attributes our misfortunes to another Argentinean habit: "the violation of the law". Some say that the "cult to the braveness and the scorn for norms" has transformed the country into a "simple place" (J.Vanossi). Others attribute the "changes in the rules of the game" to the whims of "each government" (R.Cachanovsky). Many affirm that the Argentina is a "disorganized society" (P.O'Neil), because "new rules appear before we have got used to those already existent" (L.Diaz Frers), through a process of "legislative inflation that degrades the law" (H.Lynch)<sup>vii</sup>.

But, who does violate the established principles? Every Argentine or the ruling capitalist class that permanently adapts the juridical arsenal to its interests? If the state

of siege was declared in 53 opportunities since 1983, if the Congress sanctioned hundreds of emergency laws and if the presidents have dictated countless ordinances of necessity and urgency, it is because, with these procedures, the dominant class upgrades its dominance mechanisms. Those who question the absence of "juridical security" are the ones that usually offer bigger protection to the capitalist managers and financial beneficiaries of this disorder. Did not the Parliament vote during the weekends (with the aid of some ATM cards) all the laws that the IMF demanded?

On the other hand, it is totally arbitrary to identify the fulfillment of the law with the success of nations. In North American juridical paradise, Bush caught the presidency by violating constitutional norms and currently he hides accounting frauds and the market maneuvers that enrich his ministers. The American ambassadors in the entire world are specialized in bribing officials to get irregular contracts (as it is proved in the case of IBM-Banco Nación). Besides, the doctrine of "preventive war" that Bush applies nowadays razes with all the principles of the international right.

The execution of the law is not necessary a synonymous of prosperity in the periphery, since the countries that recently had the highest growth rates (China, South Korea, and Malaysia) head the rankings of state corruption. In the measurements of "international transparency" there is no positive correlation between government honesty and investment rate for a simple reason: the capitalism is developed around profit and not ethics. The stability of norms that this system requires to neutralize the competitive destruction is always a vulnerable principle, in function of the necessities of the capitalists. For that reason the capitalism works dictating laws and ignoring their validity.

Instead of recognizing this reality it is a common trend to transfer all the defects of the system to the action of the politicians. They are attributed a "megalomaniac addiction for power" (C.Flória) and an impulse to create "strong public positions inside weak institutions" (F.Laborda). They are described like a "divorced breed of the society" (E.Valiente Noailles), which causes the "crisis of representativeness" (N.Botana) and the predominant disconnection among "the politics and the society" (R.Fraga)<sup>viii</sup>.

In the past, this operative of inculcation was the precedent of a military coup. However after the genocide of the 70s and the adventure of Malvinas the gendarmes have been in reservation and only the right-wing campaigns point to reinforce the capitalist manipulation of most of the politicians.

The neoliberal critic to this group hides that the enrichment of many legislators and officials simply constitute a prize to their fidelity. Far from acting as an unmanageable sector of opportunists, the men of the PJ and the UCR (main political parties) have served with loyalty to their godfathers of the banking and the industry. If now they receive sticks instead of medals it is because they represent the fuse of the system. They jump with the first short circuit and they are swept if the blackout generalizes. This mechanism to anoint, to flatter and then to discredit and to replace them is a form of oxygenation of the own system. The politicians do not govern for themselves, but for the big corporations that applaud them when the business flourish and revile them when the crisis arrives.

But the presentation of the Argentinean collapse as the product of a political system bankruptcy also leads to ignore the economic root of this institutional erosion. It forgets that the hyperinflation annihilated Alfonsín, that the Tequila began the regressive countdown of Menem, that later on the depression destroyed the Alianza party and that finally the *corralito* demolished De la Rúa. To insult the politicians is a

demagogic form of darkening this aspect of the collapse and to hide the direct responsibility of the capitalists in the crisis.

But the "fracture between politics and society" has also been powered by the popular rebellion. This irruption put in check to all the dominance mechanisms and it mined the remains of the popular consent that the politicians preserved. The critics of the right wing express the irritation that has created this situation among the owners of the power. For that reason objections persist to the traditional apparatus for population control, given their inability to disable the "rebellion of the saucepans" (V.Massot). This powerlessness can be measured in the detailed statistics of strikes and route cuts that the journalists of the right diffuse (Centro Nueva Derecha). Some complain against the manifestations "confused, aggressive and direct of the popular sovereignty" (N.Botana) and others give freedom to their class hate, identifying the grafts of the legislators with the "corruption of the picketers that demand *Planes Trabajar*" (C.Escudé)<sup>ix</sup>.

Only these types of "violations of the law" - that threaten the privileges of the capitalists - really worry the custodians of the oppressive order. The remaining juridical violations are circumstance complaints that are easily forgotten if the dominant class needs to change the script.

#### THE ROOTS OF THE POLITICAL UNCERTAINTY.

The intellectuals of the progressivism also locate the origin of the crisis in the no fulfillment of the law, but they attribute this indiscipline to the institutional fragility. Some consider that these practices "antithetic of the civil society" (L.Birns, J.Gans) constitute an "authoritarian illness" (T.E.Martinez). Others locate their origin in the "intolerant nationalism" of those "corporations that are imposed to the common welfare" (J.L.Romero) or in the "*caudillismo* that has destroyed the national construction" (B.Sarlo). However, coincidence exists when explaining the Argentinean collapse by "the skepticism regarding the legality" (G.O'Donnell) and by "the violation of institutions" (F.Luna). As a consequence of this characterization, the beginning of the national decadence has frequently been dated with the military coup of 1930<sup>x</sup>.

But to assimilate the solidity of the institutions with the stability of the capitalism is equal to suppose that the functioning of this system rotates around the parliamentary transparency, the independent justice or the presidential legitimacy. In fact these instances are "normally" developed only when they assure the expansion of the markets and their profitability. To ignore this fact leads to forget that democracy has been abandoned in Argentina and in the world every time that the capital faced serious obstacles to reproduce the accumulation.

The progressivism also tends to postulate a relationship of simplistic causality between the fragility of the institutions and the "economic failure", omitting the historical and social roots of both processes. This ignorance is observed in four key aspects of the Argentinean failure: the dependent insertion, the financial inheritance of the latifundium, the limitations of the substitute industrialization and the defiant militancy of the working class. These features have limited the accumulation in a much more significant form than the institutional sways.

The dependent insertion was not very visible when the European immigrants flushed massively toward a country that seemed totally different from the rest of Latin America. But when this region began to lose weight in front of other peripheral areas, all the effects of the unequal exchange, the financial drainage and the dual industrialization - that our country shares with the underdeveloped nations - appeared in the surface. This structural vulnerability has impacted much more in the national

collapse than the substitution of civil governments for military ones and vice versa, because none of those episodes modified the dependent status of the country.

The agriculture-financial structure was not an obstacle for growth, while the natural rent of the agricultural sector satisfied the dominant classes and it pumped surplus for investment. But this mold - that fed a habit of easy gain assimilated by all the owners of capital - could not last when the world capitalization of the agriculture reduced the incidence of the rent and powered the overproduction of food. The more vulgar institutionalist approach - exclusively concentrated in evaluating how many constitutional regimes prevailed comparing with the dictatorial ones - does not register this obstacle that affected equally both types of political systems.

The progressivism approach does not clarify why substitute industrialization generated a late manufacture sector, fragmentary and with low productivity, to supply an internal market that was the most prosperous in the periphery. Also, it does not explain the reasons of the systematic failure of the rehearsals of industrial modernization that oscillated between the protective subventions and the destructive opening, and that prevailed in the civil governments as well as in the military ones.

Finally, the constitutionalist thesis ignores the outcome of the social confrontations and the extraordinary role of the working class, because it reasons with a citizenship approach opposed to the class analysis. The civic parameter is useless to understand which was the impact created by the action of a proletariat that was the most organized and unionized in Latin America. When observing the society like a conglomerate of voters, institutionalists ignores the action of the workers. They ignore that the bourgeoisie confronted a chronic political uncertainty, because it took decades in demolishing social conquests without paragon in the periphery.

The crisis of the state synthesizes the impact of these four determinants of the capitalist decline. But this "absence of a foregone apparatus, with bureaucratic capacity to negotiate" (R.Sidicaro) it is not the cause, but the consequence of that collapse<sup>x1</sup>. Also, the minimum cohesion that a state structure requires to work has been eaten away in the last years by the accented trans-nationalization of the administrative, financial and military high bureaucracy. The commitments of loyalty that this group has with the multinational organizations that employ them and assure their careers, explains the reasons why they have tunneled with successive adjustments all the pillars of an efficient public administration.

#### THE INSTITUTIONALIST MYTHS

The progressivism has been the factory of all the expectations of reconstructing the economy starting from the constitutional stability. First Alfonsín promised "to cure, to educate and to feed with democracy" and then the Alianza omened a rain of investments with the simple conversion of Argentina in a "serious country". This same speech is repeated nowadays by the center-left that identify the eradication of the actual "state of *mafias*" and the subscription of "a new moral contract" with the immediate productive recovery. The same diagnosis and the same recipes are reiterated without evaluating the patient's reactions.

But this failure is not assumed as own by the institucionalists that present its mistakes as collective errors of the whole society. They are exempted of responsibilities, expressing the problems and blaming all the Argentineans. If there is poverty it is because the "society tolerates it", if there is corruption it is because the "society protects it", if there is crime it is because "the society accepts it" and if there is exploitation it is because "the society got used to it."

But, what is the society? Diverse groups regulated by neutral agents or an organism divided in classes and antagonistic social interests? If the ingenuous characterization of that entity is overcome it is possible to observe that the term "society" is a myth. What satisfies the "Rural Society" is not what benefits the "Cooperative Society" and what the capitalists demand collides with the workers claims.

This opposition of interests is more visible since the beginning of the popular rebellion, that in the terms of the own institutionalism, it converted the "affiliated-citizen" of the 83 and the "consumer-citizen" of the 90 into a "citizen of assemblies."<sup>xii</sup> This change - that tunneled many constitutionalist beliefs - has caused a great bewilderment among the intellectuality of the progressivism that oscillates among the commitment with the popular fight, the deception and the cynicism.

#### ORTHODOX READINGS.

A third type of interpretations of the crisis inspired by the neoliberalism exists and it is centered in the economy, but at the same time very associated with the thesis of the arrogance, the laziness and the institutional indiscipline. The "Argentinean attach to the magic solutions" is an idiosyncratic argument very used by the orthodox economists.

This group, initially spoke of a temporary recession resultant of an "external shock". They attributed that effect to the "devaluation of the Real" (M.Bein), to the "financial tremor of Russia and the Asian southeast" (M.A.Broda), to the "international drought of capitals" (G.Calvo) or to the "recent phenomenon of globalization" (J.C.Moreno)<sup>xiii</sup>.

But the external adversities have been the norm of the national economic history and not a specific feature of the current crisis. On the other hand, more than to absorb foreign impacts Argentina has become spreader of its crisis to the rest of Latin America. For that reason the "establishment's" economists have recognized that the collapse also has internal roots and in that sense, they present the Convertibility as the scapegoat. Also, the idiosyncratic line attributed this policy to the "imaginative", "escapist", and "illusory" character that typifies the Argentineans (J.G.Fraga, A.Velazco, V.Massuh)<sup>xiv</sup>.

But who did establish the Convertibility? Most of the population or the ruling neoliberal group determined to offer guarantees of payment of the foreign debt? This experiment was sustained by all the capitalist groups until the rigidities of the exchange rate demonstrated that it increased all the imbalances of the economy. But the Convertibility has not been the cause of the collapse because the exchange rate is only a price that oscillates with supply and demand and in the long run it depends on the level of productivity of each country. The exchange rate gap has not been an Argentinean peculiarity, but rather it constitutes a common feature of many countries that at different moments face situations of over or sub-valuation of its currencies.

The argument of the Argentinean arrogance and laziness is also used by the neoliberals as an explanation for the fiscal deficit. Here the orthodox should assume that they suffer these defects exaggeratedly, because during their long involvement in the public administration, they quintupled the debt with subsidies to the entrepreneurs (and to the fraudulent business of the private retirement plans). The financial hole that the country supports comes from that gigantic debt and not from the average public expenditures that was practically frozen after numerous cuttings since 1993. The belief that "the private sector made the adjustment, but the public sector stole it to him" (R.Cachanovsky) it is based on hiding that the sacrifices relapsed exclusively on the workers of both spheres<sup>xv</sup>. The capitalists - which have taken turns in the handling of the public administration - habitually used the funds of the state to rescue companies or banks in crash.

Another neoliberal argument stresses the "rigidity of the openness " and the following "inadequacy of the commercial reformatations" (N.Argañaraz), as if the country had not supported an imports avalanche that fractured the productive apparatus<sup>xvi</sup>. If instead of the prospective industrial modernization, a regression to the primary sector took place, it was because the extreme neoliberalism razes with more violence in the periphery

The extremely cynic orthodox affirm that the pattern failed because "there was not enough adjustment in the labor market" (J.L.Bour) and they outline that the "labor legislation should be reformed" (M.Solanet)<sup>xvii</sup>. But where do they seek to push the social genocide? Given that poverty grew 40% since October 2001 and that the poverty was duplicated in the last six months, the social legislation has been demolished and only the informal jobs expand with average wages of 297 pesos. How is this degradation assimilated with the Argentinean predilection for the vagrancy, the shortcut and less effort way? Or maybe this terrifying involution has been voluntarily chosen by the society as a whole?

#### HETERODOX EXPECTATIONS.

A fourth explanation of the crisis that combines institutionalist arguments with heterodox observations of the economy exists. This approach attributes the Argentinean debacle, on one hand to the Convertibility that "distorted relative prices" (Hausman, Frenkel) and it subtracted competitiveness to the economy (Plan Fenix) and on the other hand, to the "lack of a social contract" (L.Blaum) that counteracted the institutional fragility<sup>xviii</sup>.

But the demanded devaluation to correct the first anomaly has finished increasing the second adversity, because the impoverishment that finally occurred at the end of the Convertibility has also precipitated the general collapse of the current institutions. And this collapse was not a product of the "bad instrumentation" of the devaluation, but of a brutal transfer of the workers' earnings toward the capitalists. The heterodox bolstered this scenario of misery with emphatic diagnoses of the exchange delay that omitted the dramatic one "salary delay" that would cause the devaluation.

The principal characteristic of the old Keynesians and structuralists is their total lack of own interpretations. In all the subjects a complete adaptation to the neoliberalism prevails. This subordination is very visible in the brightness that some mainstream figures, like J.Stiglitz, produce<sup>xix</sup>. Clinton's former adviser and former director of the World Bank has become an eminent person of the South Cone, since it began to travel around the world with objections to the adjustment. He has achieved that the phrase "Stiglitz said it" were taken with the same reverence that the opinions of the IMF caused in the past.

But this dazzle is based on several impostures. The most untenable is the opposition among those "social policies" of the World Bank and those "recessive measures of the IMF", because both organizations act as agents of the same banks that strangle to the periphery. Argentina paid for example during this year 4000 million dollars to both institutions and the WB has not hesitated in keeping the foreign currencies that the undernourished children need.

The background of the dispute of Stiglitz with the current management of the IMF is not the social sensibility, neither the proposals of more contemplative policies toward the debtors. It is only a conflict among those in favor of rescuing with new credits to the creditors and the promoters of a partial purification of the banks and the most exposed investment funds. None of the two alternatives implies to attenuate the adjustment in the Third World.

However this tough reality is hidden by all the heterodox ones that speak about those "mistakes of the IMF" in its "irresponsible" treatment toward Argentina (R.Lo Vuolo)<sup>xx</sup>. But where was the error? In the loans, in the collections or in the adjustments? The heterodox seeks to avoid the answer flying over this conflict neutrally, as if it was possible to judge the economic politicians without taking party. They forget that for carrying out this evaluation, it is necessary to define which are the interests in dispute, because the mistakes and the successes are measured in function of these goals. For the bankers it is erroneous the orientation that prevents them to get paid and for the debtors the measures that accentuate their squeezing are wrong.

For that reason the IMF did not "mistake" when imposing adjustments that allowed the financiers to accumulate considerable fortunes in prejudice of the Latin American people. The only misunderstanding is propagated by those who do not know how to distinguish what is in dispute in the current crisis.

#### NEOLIBERALISM AND DEPENDENCE.

Contrary to the four more used explanations, the thesis that emphasizes the responsibility of the neoliberalism in the Argentinean collapse, starts from a accurate characterization. Which one of the many features of that orientation was more disastrous can be discussed. Some analysts highlight the "des-industrialization" (J.Schvarter), others the "indiscriminate openness" (A.Ferrer), the "technological stagnation" (J.Sachs), the "exclusion" (M.Schorr), the "inconsistent bank system" (E.Levy, S.Schmukler) or those "not well made privatizations."<sup>xxi</sup>

But it is true that none of these policies contributed to the deterioration of the productive apparatus and that their combined application had a devastating effect. However, the critics to the neoliberalism are insufficient because this approach has not been an Argentinean peculiarity, but a predominant feature in almost all the countries during the last decade. And nevertheless, the collapse caused by the neoliberalism has not been uniform, neither homogeneous. For example, it did not extend to North America, which has been the factory of those economic policies.

Some authors explain these differences by the grade of "real application of the model" and they point out that under the surface of a uniform language there were applied divergent policies. But this distinction only governs partially for certain sectors and countries, since the general course of the 90's was signed by privatization measures, liberalization and labor flexibility. What did differ was the impact of the same economic program comparing the central and peripheral countries. For example, the commercial openness that destroyed the fragile industry of the dependent nations increased the exports capacity of their developed competitors.

In the last decades, the greatest victims of the neoliberalism were those "emergent nations" (Mexico, Brazil, South Korea, Indonesia, Turkey, and Russia) that as Argentina, they supported a widespread economic crisis and social tragedies incomparably superior to United States, Central Europe or Japan. The Argentinean collapse is part of that process; of the impact generated by the opening, deregulation and privatization policies on the vulnerable countries of the periphery. The crisis does not obey the neoliberalism exclusively. It is also a result of the imperialistic polarization that characterizes the current capitalism.

#### FOREIGN DEBT AND NATIONAL BOURGEOISIE.

To recognize this effect of the dependence on the Argentinean debacle is vital to understand the combined responsibility of the creditor banks and the local capitalists groups. Some researchers blame on this last sector acquitting the former. They interpret

that the origin of the crisis has been "the capital flight to other countries" perpetrated by the big EMPRESARIOS and they point out that the payment of the foreign debt was solely functional to that purpose (E.Basualdo)<sup>xxii</sup>.

But this vision traces an incorrect distinction between the blamed local groups of the catastrophe and the banks or foreign companies exempted from that responsibility. It is extremely difficult to explain how the national corporations played an important role in trans-nationalization process and narrowed their relations with banks. How can it be delimited the exit of funds that benefited the local firms from the drainage caused by the execution of the debt so sharply? Why do we suppose that Pérez Companc, Soldati or Techint got rich damaging the people, without sharing their business with Citibank, Bank Boston or J.P.Morgan?

The evidences of this association are as numerous as the registrations of separate operations and in both cases the foreign banks enriched for multiple ways. The exchanges of the debt and the privatizations hardly constitute two examples of that usufruct. Through the first mechanism changes of devaluated bonds were consummated for new state bonds, that allowed the banks to recompose their balances and to draw their dangerous position with Argentinean titles. During the fraudulent liquidation of the public companies, they came off from depreciated bonds valued at 100% of their nominal value.

But supposing also that the local groups and not the banks constitute the dominant force of the Argentinean state collides with the daily evidence of the supremacy that IMF exercises in the handling of the power. Besides, it is obvious that in the dome of this organization, the North American banks have more influence than some spokesman of Macri or Fortabat. And for that reason the demands of adjustment of the Fund sometimes also affect to the interests of these groups in the taxation, tariff or credit policy.

The exoneration of the creditors leads to certain economists to propose a renegotiation of the foreign debt that transfers its payment to the local capitalists, through taxes or inspection agreements of the capital movements concerted with the international financial organizations (C.Lozano)<sup>xxiii</sup>. But these initiatives already reiterate the illusions denied several times of achieving a relief of the debt that was discussed with the IMF. Is it realistic to imagine an agreement that would pass over the costs of adjustment to the capitalists? Is an agreement conceivable with the Fund that imposes punishments to the fortune of Techint, Macri or Pérez Companc instead of reducing the wages? The most negative side in this type of fantasies is its convergence with the myths diffused by the banks in order to protect creditors, discharging the blames of the disaster on those "rich that hide the silver in Miami" (R.Dornbusch)<sup>xxiv</sup>.

The thesis of the neutrality of the banks and of the exclusive responsibility of the local groups in the crisis recognizes the trans-nationalization process registered in this last sector. It even affirms that the "domes became foreign" and that the "extinction of the entrepreneurs linked to the internal market" has driven to the "liquidation of the national bourgeoisie" (C.Lozano)<sup>xxv</sup>. The exact grade of consistency of this diagnosis will be defined in the even unsettled course of the crisis. What can be affirmed is that this approach has several political implications ignored by its authors, who omit to define if the alternative project that they propose is or is not capitalist.

Given the "disappearance of the national bourgeoisie", in order to promote "another model of capitalism" it will be necessary to substitute that class in the erection of that system, encouraging the social differentiation and preserving the poverty with different politics to the "redistributive shock" that those in favor of that characterization propose. The opposed alternative is to fight for socialism, but this project not even

figure in its plans. When postulating a "participative popular democracy" they only define the political regime, but not the social status of the system proposed. The alternative between resuscitating to the national bourgeoisie and struggling for the socialism constitutes a particularly controversial dilemma, if the local capitalist class has extinguished.

#### THE CAPITALISM IN THE PILLORY.

The unknown dimension of the Argentinean crisis has induced to include in its analysis an aspect that was omitted by the habitual critics of the neoliberalism and the dependence: the capitalist system. Questioning to this regime has resurged as consequence of the expropriating violence that the population has experienced. The margin for claiming the existence of "a single capitalist world, which means to make money" (A.Coto) or for glorifying the imaginary "equality of opportunities" (H. de Soto) of that regime has decreased drastically<sup>xxvi</sup>.

Picking up this perception the center-left politicians no longer insists so much on questioning the "lack of capitalism", neither in demanding the "erection of another capitalism", but rather they prefer to make campaign explaining that "we combat to the capitalism with the accusation of the mafias" (E.Carrió)<sup>xxvii</sup>. The habit of referring to this regime in a tangential way and avoiding their identification with the prosperity and the individual progress, it is imposed again.

The critical view has also expanded to the intellectuals of the progressivism that have begun to discover that the neoliberal model is the "way of being of the capitalism" and they recognize the impossibility of "breaking up with the womb of inequality" without battling against this system (J.P.Feinman)<sup>xxviii</sup>. To underline that the capitalism is the central cause of the crisis is essential to understand the reason why the misery and the depression are consequences of a system that inevitably generates economic cataclysms and social catastrophes.

Although this recognition is necessary, it is not sufficient condition to characterize the Argentinean collapse. When the crisis is presented like a simple "consequence of capitalism" the explanation completely conspires against the understanding. Capitalism prevails in almost 200 nations and it is the origin of very different situations in each country. Affirming that the "Argentinean debacle is an expression of the world crisis" neither it clears up enough, because that common process that affects Denmark as well as Ecuador has had a very unequal effect in both countries. To register these differences is important, because Argentina looks like more to Ecuador than to Denmark.

Affirming that the Argentinean crisis is a capitalist one, it doesn't imply its identity with any other collapse, in any country and at any moment. The analysis of the national debacle demands to observe its distinctive peculiarities. And this clarification is indispensable to understand that the capitalism far from being an internationally uniform and homogeneous system is characterized by an uneven and combined development that generates very diverse national results. Only investigating these particularities one can understand why certain economic crises break the weak links of the system in a given moment<sup>xxix</sup>.

#### COMPARISONS.

The Argentinean catastrophe is a capitalist crisis, typical of a peripheral country and accentuated by the application of neoliberal politics, in an adverse framework for accumulation. To combine these four elements of varied hierarchy is vital to account for the depth of the collapse. Another form of clarifying this process is observing similarities and differences with the situations in other countries.

The most frequent error in these contrasts is the presentation of the “Argentinean case” as a unique phenomenon in the world. Who usually ask: "why does the debacle affect us?", they forget that the three fourth parts of the planet are inhabited by individuals that support a same or inferior level of life than Argentina. It is enough to refresh this fact to notice that our tragedy is shared by most of the inhabitants on Earth.

Besides, it is evident that the place occupied by each country in the international division of labor is not a facultative decision; neither it makes sense to look for the reasons of our fall exclusively in certain behavior that “differentiated us from the successful ones”. In many nations the same fact happened, because in the world market there is not plenty of room for the winning ones and for that reason the periphery suffers the effects of the imperialistic polarization. When ignoring these conditionals many analysts give freedom to their fantasies of placing our country in the "First World", once it has copied the models from Austria, Sweden or Norway (J.Nun, R.Terragno, B.Kliksberg)<sup>xxx</sup>.

But it is easier to declare this objective that to explain how to reach it, because the First World dream seems to ignore that Tucumán already resembles Biafra and that in the West, the Argentinean passport is synonymous of undesirable refugee. The tendency to forget that the conditions of the beginning of the 20<sup>th</sup> century have vanished prevents them to understand why the country of the "melting pot of races" massively expels “exceeding population”. Argentina has ended without a clear place in the world market and for that reason the GDP per capita has fallen below the poor nations of Europe, which have been able to sort the cataclysms of the dependent economies because of the association to a dominant block.

At the moment, our country is part of a platoon of Latin American nations that loses international gravitation, as consequence of the oppressive indebtedness, the deterioration of the exchange terms and the displacement of the industry toward other regions of the periphery. Rearrangements of this type have been registered many times in the history of capitalism and they have always obeyed more to global tendencies of investment that to the efforts of "attractiveness of capital" carried out by each national dominant class. It is not the "people's peaceful behavior" in Canada (A.Clarkson), neither the "flexible character of the institutions" in Australia (L.Diaz Frers) what has enlarged the gap with these countries, but the objective reordering of the international division of the labor<sup>xxx1</sup>.

Also economists that criticize not to have followed the “Asian Southeast path” (A.Ferrer) usually ignore these structural determinations and they are never able to explain how it could have achieved that imitation<sup>xxxii</sup>. It is evident that the affluence of capitals toward that region is not restricted to a country, neither has it depended on a economic policy but rather it is part of a relocation of “labor intensive” investments by the internationalized corporations. As a consequence of the jump registered in the mundialization, the attraction of capital that protected internal markets (like the Argentinean in the 50’s) has moved toward exporter of basic commodities sectors. For that reason the expectation of "to return to the old flourishing Argentina” is so unrealistic.

In front of a great variety of worthless comparisons, the contrast between Argentina and Chile deserves bigger attention, because the economic performance of both neighboring countries has bifurcated notably in the last two decades. The orthodoxy explains the Chilean growth as a consequence of the "commercial openness" (M.Teijero), of those “reforms that encouraged investment" (D.Artana) and because of “exports emphasis” (M.Grondona), while the heterodoxy highlights that “Chile has made the opposite to what the IMF demanded “(R.French-Davis)<sup>xxxiii</sup>.

But before speculating on the universal advantages and disadvantages of neoliberalism, both groups should take note of the very specific character of the trans-Andean growth in the context of the widespread involution of Latin America. This peculiarity obeys to multiple economic reasons (low previous industrialization level, complementarity of primary exports with United States, opening toward the Pacific), political (historical defeat of the Unidad Popular), military (transition commanded by Pinochet), social (weakening of labor organizations, polarization of income after privatizations) and ideological (establishment of the neoliberalism among the middle class). But these processes also indicate the fragility of a model that has not modified the dependent womb of the economy.

To observe the Argentinean collapse in the mirror of other nations is a useful exercise to understand the specific causes of this disaster. But it is a deceiving focus if it is naturalized the crisis as an unavoidable fact and it is reasoned with the parameter of who suffers less. To forget that the capitalism is a system of oppression and suffering in the entire world prevents to see that it works with changing tortures and tragedies that move geographically, hitting unfailingly to the group of the workers and oppressed.

## TWO SCENARIOS AND ONE ALTERNATIVE.

The Argentinean crisis has not been limited this time to a fall of the product, but rather it led to bankruptcy to an enormous part of the industry and the banks and it has caused a scandalous pauperization of hunger, illnesses and cultural degradation. In this type of collapses it is settled the reactivation that allow a revaluation of capital on the brushes of the survivors. However, the financial default and the loss of international positioning get to an unlikely recovery in the short run.

If the crisis reaches the bottom the capitalist reconstruction will assure the social fracture and the stabilization of misery as a structural fact of the country. In the fifth food world exporter it could be created an environment of prosperity, but enclosed to the reduced sector that participates of the fruits of that activity. For the rest of the country, the perspective is a "penury economy" and lasting degradation.

It is also possible that the crisis will continue deepening without stopping in the stabilization of a renovated model of primary exports. In that case the provoking question "does Argentina exists?" (A.Touraine)<sup>xxxiv</sup> will stop to be a metaphysical query to become a real question about the territorial integrity and the formal sovereignty of the country.

To specify the characterization of the crisis is important to evaluate the probabilities of these scenarios and to define an alternative popular program too. This platform should take into account the capitalist origin of the debacle, its periphery specificity and the devastating effect that the neoliberal politics had had, under the unfavourable conditions that the Argentina presented for the accumulation in the last decades.

These characterizations constitute the conceptual foundation to develop a socialist project adapted to reality, priorities and possible courses of an economic reconstruction. In this perspective many intellectuals are working, actively participating in the popular rebellion and bolstering the battle for a new society of equality, justice and cooperation. Advancing in the elaboration of a solid diagnostic of the crisis is a central aspect of this construction.

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<sup>ii</sup> Oppenheimer Andrés. “El desencanto de los argentinos”. La Nación, 2-7-02, Ventura Adrián. “Qué paso con la Argentina”. La Nación. 17-10-02, Muleiro Vicente. Clarín 18-8-02, Abadi José “De responsabilidades propias y ajenas” Clarín revista. 13-8-00, Quesada María Saenz “De responsabilidades propias y ajenas”, Clarin Revista.13-8-00, Miguens Jose E. “Un país sin rumbo”. La Nación, 8-2-01.

<sup>3</sup>Grondona Mariano. “En la sima del pensamiento negativo” La Nación, 18-8-02, Valiente Noailles Enrique “El clamor de los argentinos”. La Nación, 18-9-02, Valiente Noailles Enrique. “Ahora nadie espera nada”. La Nación, 16-10-02, A.Moffat y F.Gonzalez en Remeseira Claudio. “La patria triste del psicoanálisis y el tango”. La Nación, 6-8-00.

<sup>iv</sup> Internacional Press. Boston Globe , Le Monde . “Asi lo ven”, Página 12, 14-1-02, Escudé Carlos. “Una misión imposible?” La Nación. 28-01-02. Cortes Conde Roberto, citado en la “Soberanía embargada” Clarín, 28-07-02. The keynesian P.Krugman also participates of the depreciative fashion with his compassionate look toward a country "small, distant and remote that has few possibility to affect" the average life of the North Americans.. Krugman Paul. “Llorando con la Argentina”. La Nación, 2-1-02

<sup>v</sup> Aguinis Marcos. “La paradoja argentina”. Clarin Revista.13-8-00, Touraine Alan. “El regreso de la nación”. Clarín, 13-1-02, Rabanal Rodolfo. “Anatomía del pesimismo argentino”. La Nación 13-1-00, Delich Francisco. “No respetar las normas no es una picardía”. La Nación, 28-10-02, Di Tella Torcuato. “De responsabilidades propias y ajenas” Clarín Revista 13-8-00, Gregorich Luis. “El mito de la semilla y el futuro argentino”. La Nación 9-12-2000.

<sup>vi</sup> See: Anderson Perry. “Fernand Braudel y la identidad nacional”. Campos de batalla, Anagrama, Barcelona, 1992.

<sup>vii</sup> Vanossi Jorge. “El abuso de derecho está en la raíz de los problemas”, La Nación , 117-10-02, Cachanosky Roberto. “La Argentina, enfrentada consigo misma”. La Nación, 18-11-02, Diaz Frers Luciana. “Crear un entorno que premie la inversión”. La Nación,14-10-02, Lynch Horacio. “La suma de muchos errores”. La Nación, 15-10-02.

<sup>viii</sup> Floria Carlos. “La autoridad es la clave de la democracia”. La Nación, 13-10-02, Laborda Fernando. No se lograron consensos”. La Nación, 13-10-02, Valiente Noailles Enrique “El clamor de los argentinos”. La Nación, 18-9-02, Botana Natalio. “El hilo de seda de la legitimidad”. La Nación, 5-9-02, Fraga Rosendo. “La dirección de la crisis”. Página 12, 27-01-02.

<sup>ix</sup> Massot Vicente. “La rebelión de las cacerolas”. La Nación, 29-12-01, Botana Natalio. “Que se vayan : Y después”. La Nación, 7-2-02, Escudé Carlos. “Nuestra condena, la corrupción”, La Nación, 16-10-02.

<sup>x</sup> Martinez Tomas Eloy. “Recrear la Argentina”. La Nación, 22-12-01, L.Birns, J.Gans citados por Diamant Mario. “Como un choque de trenes” La Nación, 24-12-01, Romero Luis Alberto. “Refundaciones”: Clarín, 3-6-01, Romero Luis Alberto. “Que le paso a la Argentina”.La Nación,16-10-02, Sarlo Beatriz. “La disolución de la Argentina y sus remedios” Página 12, 23-12- 01, O'Donnell Guillermo “Entrevista”. Página 12, 11-6-01, Luna Felix. “Mas que errores fueron horrores”, La Nación, 13-10-02.

<sup>xi</sup> Sidicaro Ricardo. “Integraciones y desintegraciones” Página 12, 20-1-02

<sup>xii</sup> Landi Oscar. “Ciudadano societario de asambleas”. Clarín, 24-03-02.

<sup>xiii</sup> Bein Miguel. “La economía tiene razones propias para no arrancar”. La Nación 22-5-01, Broda Miguel A. “La pesadilla parece llegar a su fin”. La Nación 16-7-00, Moreno Julio Cesar. “El huracán globalizado”, 31-1-02. Ver informe de Campanario Sebastián. “Economistas perplejos por el caso argentino”. Clarín ,11-8-02.

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<sup>xiv</sup> Gonzalez Fraga Javier. "Recesión o estancamiento" La Nación 4-3-01, Velazco Andrés. "El fin de las grandes ilusiones". La Nación, 27-12-01, Massuh Héctor. "El país de las recetas efímeras". La Nación, 15-11-02.

<sup>xv</sup> Cachanosky Roberto. "Crecer no es solo una cuestión de buena voluntad". La Nación 16-3-01. Cachanosky Roberto. "Achicar el sector público para volver a crecer", La Nación, 8-6-01

<sup>xvi</sup> Argañaraz Nadine. "Hicieron falta gran solidez y consistencia". La Nación, 14-10-02

<sup>xvii</sup> Bour Jose L. "Asusta a la inversión". Página 12, 5-8-00. Solanet Manuel. "Una situación que no admite demoras". La Nación, 18-11-02

<sup>xviii</sup> Blaum Luis. Cited by Eduardo de Miguel. "Dinero y diván". Clarín, 17-11-02, Ver : Campanario Sebastián. "Economistas perplejos por el caso argentino". Clarín ,11-8-02, Vanoli Alejandro. "Defensa del Plan Fénix". Página 12, 26-5-02 Also: Fitoussi Jean Paul. "O devalúan, o matan a la población" Página 12, 14-6-01

<sup>xix</sup> Stiglitz Joseph. Entrevistas. Clarín, 30-6-01, La Gaceta Económica, 30-6-01, Página 12, 1-7-02

<sup>xx</sup> Lo Vuolo, Rubén. "Fallas del gendarme". Página 12, 30-6-02

<sup>xxi</sup> Schvarter Jorge. "Economía argentina: situación y perspectivas". La gaceta económica 24-6-01, Ferrer Aldo. "Los mitos neoliberales versus la capacidad económica estatal". Clarín, 11-12-01, Sachs Jeffrey. "Faltan estrategias de innovación". La Nación 29-5-01, Schorr Martín. "Ataquen al salario" Página 12, 6-5-01.

<sup>xxii</sup> Basualdo Eduardo. "Acerca de la naturaleza de la deuda externa" Libro Página 12, abril 2000.

<sup>xxiii</sup> Lozano Claudio. Cited by Santiago Rodríguez "Los tres reconocimientos" Página 12, 3-11-02.

<sup>xxiv</sup> Dornbusch Rudiger. "Para salir se necesita una década" La Nación, 6-2-02.

<sup>xxv</sup> Lozano Claudio. Cuaderno de la CTA: Shock distributivo, autonomía nacional y democratización, CTA- Página 12, noviembre 2002.

<sup>xxvi</sup> de Soto Hernán. "El capitalismo es la única vía para lograr igualdad de oportunidades" La Nación, 26-8-02, Coto Alfredo. "Ahora somos el país agroindustrial más barato del mundo". Página 12, 3-6-02.

<sup>xxvii</sup> Carrió Elisa. Informen al Parlamento. Página 12, 21-7-01, "Entrevista" Revista Tres Puntos, 15-5-02.

<sup>xxviii</sup> Feinmann Juan Pablo. "Modelo y sistema" Página 12, 24-9-02

<sup>xxix</sup> These peculiarities are diluted when it is only affirmed that "we attend a concentrated manifestation of a crisis of world reach" and it is predicted that also "United States is *argentinizing*". Rieznik Pablo. "Economic bankruptcy, social breakup and popular rebellion". Reason and Revolution n. 9, autumn of 2002.

In this case the joker of the "world crisis" drives to characterizations that finish floating in universes as wide as unverifiable. The crisis concept loses concrete sense and it is transformed into the foundation of invariably catastrophist forecasts. Given the record of failures that many economists and Marxists accumulate it would suit to be more cautious in these forecasts and more specific in the diagnosis, unless the bet is increased and a precise diagnosis were done about when the next "argentinization" will take place: tomorrow, in one year, in next decade?

<sup>xxx</sup> Nun José. Página 12, 29-7-01, Terragno Rodolfo. "El tilo y la convertibilidad". Clarin 11.4.01, Kliksberg Bernardo. Interview, Página 12, 24-11-02

<sup>xxxi</sup> Clarkson Adrienne. "El país correcto". Clarín, 6-5-01, Diaz Frers L. "Instituciones flexibles", La Nación, 27-8-00

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<sup>xxxii</sup> Ferrer Aldo. “Atrapados en la globalización”. Clarín, 11-7-01

<sup>xxxiii</sup> Teijero Mario. “Argentina y Chile: lecciones de una economía sensata”. La Nación, 10-12-01, Artana Daniel. “Hay que buscar un crecimiento a largo plazo”. Clarín, 24-11-02, Grondona, Mariano. “Lecciones de Chile”. La Nación, 19-12-01, French Davis Ricardo, “Chile ganó por no seguir a la ortodoxia”, interview, Clarín, 7-7-02.

<sup>xxxiv</sup> Touraine Alain. “Existe la Argentina?” Clarin, 3-6-01. Luzzani Telma, Baron Ana. “El fantasma del protectorado”, Clarín, 2-6-02