

ARGENTINA IN THE NINETIES: LOOKING FOR CLUES IN THE PAST

This conference, we have been told, intends to explore the Argentine experience during the years when the country went through a 'dual transition', by which it is meant "a simultaneous political and economic liberalization", with the twofold purpose of evaluating "-now in retrospect- the major changes and continuities in Argentine politics and political economy during the nineties" and of using "the Argentine case to draw more general lessons for comparative and Latin American politics".

It is not difficult to guess what role I am expected to play here. It is of course to provide what social scientists and economists expect from historians, by paying attention to continuities rather than changes, in order to offer a counterweight to their entirely justified concentration on the latter; entirely justified, that is, when -as it is now the case- what are being looked for are lessons for Latin American and comparative politics, since it is in the changes introduced by successive shifts in world-wide trends that the common elements that make comparison among different national experiences possible can more easily be found, while the search for continuities brings to the fore more than anything else what is most idiosyncratic about each one of these experiences.

It is indeed enough to turn the attention to continuities to discover much of what makes the Argentine experience different from, say, the Chilean, Brazilian or Mexican ones; and nowhere are these differences more visible than in the mode of articulation between the processes of economic and political liberalization, that in none of these countries have been exactly synchronous.

The ways in which the change in the socio-political setup and those in economic policies interconnect are never simple, but perhaps in no other country does the link between both reach the tortured complexity that can be found in Argentina, where the economic liberalization launched in 1991 within a democratic institutional framework that had suddenly been resurrected seven years earlier advanced much further in the direction imposed in 1976 by the brutal military regime that had ruled the country until 1983, and achieved -albeit temporarily- the success that had eluded that earlier experiment in neo-liberal economics.

The sequence suggests that in Argentina the trend toward economic liberalization faced more steep obstacles than in other Latin American countries, perhaps because there the turn toward neo-liberalism came as the outcome of a decades-long process of crisis and decay that had been eroding the social and economic arrangements introduced in the aftermath of the convincing electoral victory achieved by the Peronist movement on its entering the electoral arena in February 1946. The social and economic changes that followed that victory amounted to a peaceful but highly divisive revolution that is at the origin of the later Argentine peculiarities, not because the economic policies that were then introduced differed in significant ways from those followed in these same years in other Latin American countries, but because it was only in Argentina that by identifying with these policies an improvised political movement could at the very moment of its birth inflict a crushing electoral defeat to a coalition of almost all the pre-existing national parties, and use the early success of these same policies to introduce durable changes in the social profile of the country, that had among other purposes that of consolidating and even enlarging the impressive support it had won in its first try.

These policies capitalized on the cumulative effects of depression and war that they strove to perpetuate by favoring the expanding urban sectors over those linked with the pastoral and agricultural export economy. This purpose was achieved by maintaining a high rate of exchange for the national currency, that (with total state control of imports) provided cheap inputs for industry and ensured

equally cheap internal prices for the foodstuffs that, while providing the main staples of the export economy, were also very important wage goods.

To be fair to the crafters of these policies, it should be remembered that, when they were introduced, conventional wisdom had it that the post-war era would bring back a world economic climate similar to that of the immediate pre-war years, when the efforts to extricate the economy from the depression had met with rather limited success: nobody had foreseen the quarter-century of sustained economic expansion supported by the restoration of external trade to its XIXth Century role as an important engine of growth, that followed what had been expected to prove only a temporary spurt of economic expansion similar to the one that had followed WW1; in that imagined international economic framework relegating the pastoral and agricultural export sector to the permanent role of provider of cheap foreign currencies to a dynamic industrial sector catering to the internal market wouldn't necessarily have been a preposterous proposition. But it soon became clear that the world economy was not to advance on these lines, and by 1951 Perón was already painfully aware that he couldn't build a regime destined to rule the country for decades to come, as was his proclaimed ambition, on the strength of economic policies that by then had won for him the support of two-thirds of the electorate, but couldn't be sustained for much longer.

He saw his predicament as both a challenge and an opportunity. In 1945-46 the revolution he led had been a desperate gamble that managed to save his political future after his much more conventional project of mobilizing in his favor the goodwill of labor in order to win some autonomy vis-à-vis the traditional political parties whose support he considered necessary within the democratic framework whose restoration appeared unavoidable because of the turn taken by the war; had he succeeded in implementing this project, the more modest political role it assigned to labor would have resulted in more modest, and hence more easily sustainable, economic gains for the working classes.

Things went otherwise, and by 1950 the share of wage earners had risen by almost 10% of the total GNP, while behind an almost impenetrable wall of protection industrial expansion went on amidst very little industrial concentration: in fact the rise in the number of industrial enterprises had been proportionally higher than that of industrial workers, and these figures reflected the extent to which the independent lower-middle classes of the larger cities were able to share with the working class the rewards of Peronist prosperity. This was a social model too attractive for those who enjoyed it not to resent its replacement with another more ready to pay attention to the demands of the rural sector, but Perón expected to compensate for the erosion of their support by winning over those who were to benefit from the reorientation of his economic policies. By then his authoritarian ways had permanently alienated the opposition parties and even if this hadn't been the case he preferred to look for alternate sources of support in society itself; when entering this new stage, the Peronist revolution appeared to be leading towards a corporate regime in which repression was to play a significantly more important role than in the past. External conditions were favorable: the new policies were to include a limited opening to foreign credit and investment, that was expected to come mostly from the United States, and there were signs that Perón was beginning to move towards a more pro-American interpretation of his proclaimed "Third Position" in the Cold War: Peronism had a real chance of completing a successful metamorphosis into something similar to the durable authoritarian regime that governed Spain.

It was however not to be: instead a spurt of energy inspired by desperation in the ranks of the opposition met a rather lethargic reaction among Perón's labor and army supporters, and in 1955 he became the third Argentine elected president in a quarter-century to bow with only token resistance to the negative verdict of a rebel military fraction. But the victors inherited the dilemmas that had defeated

him, and for several further decades of Argentine history these were to remain permanently in the background and repeatedly come to the fore. Political instability became an equally permanent feature; the military government that emerged after the fall of Perón, while surviving several serious political-military crises, was weakened by them to the point that after two years in power it found too urgent to leave it to ensure a succession to its taste. The general election it hastily called was won by the leader of a large fraction of the Radical party, that -after having gathered under Perón the support of almost the entire opposition- divided soon after his fall into two rival fragments. Dr. Arturo Frondizi's victory was only grudgingly accepted by the military, that hadn't forgotten his past closeness to the Argentine Communists and furthermore suspected him (rightly) of having secretly offered important concessions to Perón and his banned political party in order to receive the exile's public support for his presidential candidacy.

For all these reasons the new government was already at birth as weak as the one it replaced. It however managed to survive for more than three years, to be finally overthrown after Peronism, by running its candidates under several banners of convenience, proved that it was again the largest party, even if its following had been reduced by half from the two-thirds of the total vote that it had reached while in power. By then the military was also deeply divided on political matters, and for this and other reasons it didn't as yet wish to take over the administration of the country, hoping instead to leave it to a coalition of which the Peronists would be a part, without however being given a share in actual power, and from which the personal influence of Perón would be totally banned.

Achieving these difficult tasks proved totally beyond the modest political skills of the army officers who controlled the interim government they had put in place after ousting Frondizi; the undesired consequence of their maneuvers was the election as President of the candidate of the rival Radical fraction, who was committed to eliminate the restrictions that affected the electoral participation of Peronism; and after the Peronist fraction that had begun to challenge the leadership of the exiled movement's founder was soundly defeated in a decisive provincial election by another emphatically loyal to him, the military decided that what the country needed was a thorough reconfiguration that would eliminate the reasons that tempted too many voters to support Perón's candidates. Until that desirable change of heart would be achieved, the citizenry was not to be offered new opportunities to repeat its past mistakes; from that moment, the Illia administration was doomed, and it was indeed to be ousted without reaching three years in government.

It was replaced by a military regime that proclaimed its intention to lead the country in an Argentine Revolution that intended to reshape the nation, starting with the economy, continuing with society and culminating in the restoration of representative democracy only after this renewed society would find political expression in a new set of parties with nothing in common with those of the present. No final deadline had been announced for this experiment in conservative revolution; in fact it took almost seven years for it to close as an unmitigated failure; already in its fourth the ouster of General Onganía, the first military President to rule in the name of the Argentine Revolution, suggested that something was seriously amiss, and this assessment received its full confirmation one year later, when his replacement -an intelligence officer who had never received strong support from his army peers- was also ousted, and General Lanusse took charge of the presidency with the less ambitious goal of finding a way for the army to extricate itself from power with the minimal possible damage.

This proved to be an impossible task. The dissolution of all political parties in 1966 had gone a long way towards diminishing the hostility of the pre-1946 ones towards Peronism, and Perón took immediate advantage of the opportunity thus offered him to morph from the champion of anti-politics to

the *primus inter pares* in the ranks of the Argentine political class. This however didn't hinder him from simultaneously morphing into a Mao-like figure, by giving his blessing to the youthful followers of a new Peronist left that -inspired by the Cuban example and encouraged by the central role of the rebellious youth in China's cultural revolution- intermittently proclaimed its commitment to a socialist fatherland and less intermittently engaged in what it rather grandly described as a guerrilla war, consisting mostly of political assassinations (both General Aramburu, who had led the military government after the fall of the first Peronist regime, and Augusto Vandor, the boss of Peronist labor, were among its many victims) and lucrative kidnappings.

By using these eclectic tactics, in 1973 Perón finally achieved the total victory he had sought since his fall from power in 1955, but once in power he had to face a situation in which the new challenges coming from the revolutionary currents he had helped to unleash were added to those arising from the dilemma that the Peronist revolution had faced since almost its inception, that were to prove as intractable as in the past: in fact, in what was to be his last public appearance he felt forced to address a final warning to organized labor: if it continued sabotaging wage controls he would have no alternative but to recognize defeat and leave Argentines to their own devices; he left the rally with a bad cold that quickly turned into pneumonia, and two weeks later he was dead. He was replaced by his widow and Vice-President, who gave her full support to the death squads that continued with increasing ferocity the unofficial purge of the Peronist left already started before her husband's death, but after she was crushingly defeated in yet another attempt to impose wage restraints on labor, she was reduced to the role of horrified spectator of the progressive degradation of the economy, reflected in the dizzying progress of inflation.

This time the armed forces were determined to allow the political and economic situation to deteriorate to such an extent that when they would take over the government the decision would be received with almost universal relief; and indeed, when they concluded that the situation was ripe enough to take action, a solid consensus had already emerged around the notion that the final crisis of the Argentina fashioned by the Peronist revolution had reached a point of no return. For their part, they concluded from the presence of such a consensus that they had received *carte blanche* not only to refashion the country as they saw fit, but also to destroy through a systematic recourse to state terrorism the very little that still survived of the political and social unrest that had marked the first half of the decade (the underground movements that had risen in those years had been by then brought to the brink of extinction by the efforts of the deposed administration, to the point that only a final mopping-up was needed in order to complete the task).

A retrospective view of the economic record for the three decades that separated 1976 from 1946 reveals that it had been by far less dismal than the dominant opinion had it in this latter year. In the early fifties, when Perón first decided that what was urgently needed was an economic rectification stressing the rehabilitation of the rural-export sector, the world economic conditions were already such that this shift in orientation, while unavoidable, didn't hold the promise of a quick return to prosperity; indeed until 1962, first the effects of the increased productivity of US grain agriculture, and later the more general impact of the "green revolution" not only kept grain prices low but made it difficult for Argentina to regain the terrain it had lost in the world market since the times when it had been the largest exporter for corn and flax, and a very important one for wheat.

Under these extremely difficult conditions, the Frondizi government, inspired by the example of Kubitschek's Brazil, while trying to make up for the continuing stagnation of export agriculture through agreements with multinational oil corporations that intended to bring about a quick expansion in this

sector, pushed for a "second stage of industrialization", centered on the production of durables (cars, trucks, railway and agricultural machines), again with the co-operation of multinational firms. The program achieved impressive, albeit temporary, success, but aggravated rather than alleviating the imbalance in the external sector, so much so that after Frondizi's fall a brutal devaluation couldn't be avoided, and it was followed by the first, and still mercifully brief, Argentine experience in mass unemployment. But under the next elected government the effect of the improved market for agricultural exports was quickly felt, and together with the return to full industrial production was reflected in a couple of years in which economic expansion reached levels unknown since the forties.

When the second elected government of the inter-Peronist years was also ousted from power, that expansion had already lost speed, but under that of the Argentine revolution it won a new lease of life through a program that channeled towards the state most of the added income from rural exports due to yet another devaluation of the peso, and used it to finance an ambitious plan of public works, while energetically favoring further investments from foreign multinationals, that now extended to most areas of the industrial economy. In 1970, when General Onganía was ousted from power, these continuously successful policies had managed to survive for a year the return of chronic social protest as a durable legacy of the massive Córdoba riots in May 1969; they were however not to survive Onganía's fall from power, and especially after General Lanusse assigned absolute priority to achieving his difficult political goals, economic objectives were ignored to the point of allowing inflation to return with a vengeance. But the basics of the Argentine economy were still sturdy enough for the policies introduced by the restored Peronists, that strove to achieve a goal of zero inflation through strict controls of prices and wages, to work remarkably well for a year in which the volume of money in circulation doubled. And even after the impetuous return of inflation in 1974, and notwithstanding the end of the years of good prices for rural exports, the economic expansion started in 1963 managed to stagger on till 1975.

As it can be seen, for all its ups and downs the Argentine economic record along these decades of permanent political instability had still been quite respectable; while, as it had consistently been the case since the 1929 crisis, the country's growth rate was lower than that of Brazil, it was roughly comparable to that of the "white Dominions" (and slightly higher than that of the United States). But, even without looking beyond the strictly economic dimensions of the Argentine performance, there is much in it that explains why an overwhelming consensus emerged that found it unsatisfactory.

Admittedly the dissatisfaction owed something to what Argentina had already achieved when the 1929 crisis forced it to search for an alternative formula for socio-economic success. By many standards it had successfully rooted a modern society in the littorine and pampa plains, supported, thanks to public and private investments, by a dense railway network and efficient public services, from posts and telegraphs to an elementary school system that was the pride of the country. Moreover, depending as Argentina then did on overseas immigration to sustain its accelerated economic expansion, from the start the wages of city workers had to reach levels comparable to those of the European countries that provided most of the immigrants, and the combination of a modern infrastructure, a literate population and comparatively high wages made it possible for it to show in 1929, among other indicators of successful modernization, a higher per-capita yearly circulation of postal pieces, and of newspapers and magazines than France and the UK, while by that same date the rise of a large and comparatively affluent middle class was reflected in per-capita figures for telephones and automobiles that again exceeded those of the same two countries.

Soon after 1929, it became clear that at least some of the progresses made in the past wouldn't

be continued. While in the context of the anticyclical policies of the thirties, the federal government built a network of all-weather trunk roads connecting most regions, by 1939 the number of automobiles hadn't risen significantly from ten years earlier, and not a few of them were close to obsolescence, and the same deterioration had started with the by then consistently unprofitable railways. This trend gained further speed during the war years, to the point that by 1947 the railway lines could be described not totally unfairly by Perón's economic czar as so many heaps of scrap iron ("montones de hierro viejo"). Deterioration of basic services went even further under the impact of the Peronist revolution; while industrial expansion created thousands of new dwarf enterprises that depended exclusively on the public utilities for water, power, communications and so forth, the rise in the living standards of the masses put an even heavier additional pressure on these same utilities. After Perón was ousted in 1955 and the problem was openly recognized, it became obvious that a systematic solution to it by far exceeded the available resources, and improvements were only introduced in a patchy and haphazard way, and in not a few cases abandoned at halfway because of a sudden downward turn taken by the economy.

By 1955 also another factor began to weigh heavily on the economy, and not only on it: political instability and the consequent weakness of ephemeral governments that hovered insecurely in power created a situation in which abiding to their decisions had ceased to be a matter of course. This of course affected the attitude of public servants at all levels, who paid less attention than in the past to the lines of authority; one of the consequences was a generalization of corruption, but a more widespread and probably even more damaging one was a growing inefficiency in the workings of the public administration, that frequently made it impossible to introduce policies otherwise recognized as highly desirable because implementing them went beyond what could reasonably be expected from the abilities of the Argentine federal bureaucracy.

Political instability was also linked in complex ways with the short duration of most economic policies that admittedly was more directly influenced by the also short time-span during which they proved reasonably successful. But usually their failure was followed by a replacement of the political or military faction in power by a different one that -instead of introducing corrections in the policies they found in place- felt forced to inaugurate a completely new line, supported by a different set of social and economic alliances. And in a political framework characterized by cannibalistic struggles among political and military rivals there were also occasions when the promise of durable success was as weakening to the faction in power as the threat of impending failure: this was clearly the case with the fall of Perón in 1955 and that of Onganía fifteen years later. The consequence was that after a few years the public had learned to pay as much attention to what could be expected to follow the failure of the policy implemented at each moment as to that policy itself; with this concern in mind, everybody was to read General Lanusse's stern warning that "those who bet on the dollar will loose" as a confession that the then current exchange value of the peso wouldn't survive an even mild rise in the demand for dollars, and conclude that the time had come to pasarse al verde (move to the green stuff).

There was yet another way in which political instability affected the effectiveness of the Argentine state in economic matters: governments that were painfully aware of their weakness vis-à-vis military-political factions powerful enough to announce without facing any risks their subversive projects in rich detail in popular magazines were moreover understandably reluctant to incur the displeasure of equally powerful economic interests. An area in which all these negative factors were simultaneously felt was that of taxation: the Argentine state's increasing inability to counter the rise in tax evasion owed something to corruption in the federal tax offices, undoubtedly something more to lack of zeal and competence among its personnel, but much yet to deliberate decisions not to antagonize influential taxpayers, that were sometimes rationalized as informal contributions on the part of the state to the

survival of enterprises that would otherwise have faced bankruptcy. The result was not only that the rise in tax evasion couldn't be contained even after it became a more significant contribution to inflation than excessive state expenditure, but also that the tax burden fell not where it was intended to fall, but where taxes could be more effectively raised, and finally a moment was reached in which the only secure sources of revenue that were left targeted agricultural exports and gas purchased in gas stations.

What was true for individuals was also true for large business enterprises, organized sectors of the economy, from agriculture to industry to trade, as well as organized labor. The permanent weakness of the governments that replaced each other in power after 1955 made of all of them actors in combats in which the role of the state was both that of the battling ground and of the booty.

They were however not the only actors in such combats; during the period of extreme instability that prepared the climate for the 1966 Argentine Revolution a view became fashionable that concluded that in order to achieve the desirable stability in power, elected governments needed to be supported by the consensus of four factores de poder, namely, the Armed Forces, the Church, the business interests and organized labor. This view, remotely inspired by Ferdinand Lassalle's seminal essay What is a Constitution?, in which Marx's rival in the fledgling German social-democratic movement had already argued that the proper role of a constitution should be that of providing an institutional framework reflective of the balance of forces among the political actors in the nation, proved that the legacy of the Peronist revolution was still very much alive; indeed, while both under elected and military governments these factores found a way of advancing their collective interests, organized labor proved particularly effective in using political crises to its advantage. The paradoxical result was that the fall of Perón further enhanced organized labor's influence both within the Peronist movement -of which it became in fact the backbone (columna vertebral) that already was in name since that movement's institutionalization as Peronist Party, in part by becoming also its paymaster- and on the post-Peronist (and anti-Peronist) state, towards which it applied with increasing virtuosity the tactic of golpear para negociar. This success was reflected in the sixties by the creation of a vast system of turismo social that encompassed a vast number of hotels, and during the agony of the Onganía presidency in that of an even more impressive health system, with clinics and hospitals financed by the forced contributions of all workers, whether they were union members or not.

Thus the democracia corporativa that had been Perón's not quite secret aspiration appeared close to be achieved after his fall; there was however an all-important difference: while for Perón the unions' and business organizations' role was to be that of conveyor belts responsible for bringing to the social sectors they represented the decisions taken by the wielder of political authority, now they played a more important one as remarkably independent agents whose influence over these decisions was never insignificant, and at certain critical junctures could become overwhelming. But there was yet another difference with the pre-1955 situation that became gradually more conspicuous: while since then the corporate organizations representing socio-economic classes and sectorial interests consistently won in autonomy, solidity and -as in the case of the unions- in affluence and the added influence that came with it, the positions of the social and economic forces they represented didn't necessarily evolve on the same lines.

At this level the interplay of social and political forces brought about a slow erosion of what were unselfconsciously described -even by the intensely anti-Peronist Aramburu government that took over in November 1955 from the more moderate one led by General Lonardi- as the "social achievements" (conquistas sociales) that were part of the legacy of the Peronist revolution. While real wages for labor, albeit oscillating -sometimes wildly- in the short run (with sudden falls in periods of high

inflation followed by not always more leisurely and no less ephemeral returns to higher levels) were in the long run remarkably stable, the share of wages in the distribution of the GNP moved consistently downward. This wasn't due to any relaxation in the unions' vigilance: with inflation requiring nominal wages to run at a constantly increasing speed for the real ones to stay in place, workers could see and appreciate the efforts their unions were forced to display in order to achieve the latter. But there was another, and no less important, objective -namely the defense of full employment- in connection with which the unions achieved almost total success: considering the uneven and far from brilliant performance of the economy, it was no easy task to limit the periods in which unemployment became significant to the worst patches at the bottom of the deepest recessions, but here the unions were helped by their convergence with other interests equally committed to the survival of the industrial structure inherited from the early Peronist years.

These impressive successes had as a consequence an increasing disjunction between the exuberant vitality of the corporate influences that loomed large on Argentine public life and the increasingly anaemic social forces that they represented: while thanks to their efforts, the profile of Argentine society improvised in a couple of years following 1946 could still be recognized in 1976, what it hid under its almost unchanged surface was increasingly hollow. The neo-liberal team put in charge after the military ousted Isabel Perón expected that the unsustainable economic situation that she had left behind had finally convinced the country that it couldn't continue ignoring that, as a matter of sheer survival, it needed to take a totally different economic route from the one followed for too many decades, and confidently proclaimed their firm intention to shrink the state in order to allow the nation to grow again, even if they were already aware that not everybody among those who had taken power shared their faith in the regenerating powers of the market.

But that lack of faith was no the only source of their future problems, although admittedly it didn't help that the 1976 military takeover, like all the previous ones, owed its success to its having attracted the simultaneous support of the two ideological families that divided the loyalty of the officer corps, namely the liberal-conservative, that was ready to accept -albeit not always enthusiastically- the new economic gospel, and the catholic-authoritarian, that kept faith to the Aristotelian notion that one of the functions of the state is to arbitrate among social groups and interests following the dictates of distributive and commutative justice, rather than criteria of economic efficacy. But, while the influence of the latter could help to explain the absolute veto imposed by the new rulers against any policies that would bring about a significant rise in unemployment, even if the reason offered for that veto was based on the extravagant notion that the consequence of higher unemployment would be a regain of working-class militancy; it couldn't explain that after seven years of efforts devoted to shrinking the state, in 1983 the sector of state-owned enterprises was significantly larger than in 1976.

On this point it was more relevant that the armed forces were proud of the role they played in the state sector of the economy; the creation of a national steel plant had been from its very modest start during WWII an army project, for its part the navy had guided the nuclear energy project from its inception, while the air force, after having played a pioneering role in the creation of an Argentine automobile industry, had moved to a no less ambitious project in aluminum. And for the senior officers in the three branches it was not only a matter of prestige and professional pride: even leaving aside other material advantages, the administration of these enterprises opened prestigious and well-paid positions that compensated for the rather meager pensions available to retired officers; moreover, after decades during which the armed forces had played the role of power behind the throne, these opportunities were not restricted to enterprises that were in fact their dependencies; and the trend towards placing senior officers in executive positions of state enterprises, that could already be detected in the thirties, acquired

a new intensity after the 1976 takeover, when the refashioning of state firms on the model of those in the private sector had as its only tangible consequence the addition of boards of directors that at a very high cost made available to military retirees a large number of lucrative new positions.

This is only an example -but a very telling one- that showed that nostalgia for the society fashioned by the Peronist revolution was not restricted to organized labor. It cannot however be denied that organized labor was the only social actor intermittently ready to oppose more than passive resistance against the efforts to dismantle that society. This was found intolerable, but after making a desaparecido of the leader of the soundly conservative Light & Power union as soon as he became an active opponent of wage policies that struck especially hard on the workers he represented, the regime continued to devote its best efforts to shelter the already battered social structures that it had found in place from the worst consequences of its own economic policies, and terror made things easier on this point, since -as in Nazi Germany- it was the use of terror that made it possible to combine full employment with extremely depressed real wages. As a result, when the neo-liberal project ended in unmitigated failure, the first social and political actor to reoccupy the center of the stage was once again organized labor, mobilizing forces that for the first time in years were able to take their protest to Plaza de Mayo and make it heard from the windows of Government House.

And when, after completing its performance in government by leading the country in the only lost war in its history, the military in power found themselves so totally lacking in legitimacy that they weren't in a position to impose any conditions for the transfer of powers to the political forces that disputed their succession, it appeared as if Argentina was ready for the return to government of the Peronist movement, and that movement itself was equally ready to recognize the boss of the most influential labor union -that of the metalworkers- as the kingmaker who was to decide who the next Peronist candidate -and hence the next President- would be. Raúl Alfonsín, the new leader of the traditional rival of Peronism, the Radical Civic Union, was however convinced that for the first time since 1946 his party had a fighting chance of defeating its powerful adversary in totally free and fair elections, by casting itself as the alternative to what he described as the pacto sindical-militar, an unholy alliance of the two political actors that had monopolized the public stage for almost four decades of political disarray, economic deterioration and increasing violence, culminating in the atrocious experiment in state terrorism that was being closed in ruin and shame.

With 52% of the vote, he achieved a more convincing victory than the one that in March 1973 had restored Peronism to power after eighteen years in the wilderness. Alfonsín attributed his electoral success to a large extent to the disastrous use Peronism had made of that victory, that had openness not only in the country but in the Peronist movement itself wounds that still refused to heal (Isabel Perón, whose stint in the presidency had left a horrified memory in both, was still the nominal leader of the latter). This conclusion was based on the notion that the protracted Argentine crisis was political in nature: if Argentina had found the Peronist revolution indigestible it was because that revolution hadn't found its institutional expression within the framework of an authentic representative democracy, made vibrant by the enthusiastic and active participation of a free citizenry; instead it had first found it in a plebiscitary authoritarian regime, and after its demise had offered a decisive contribution to political solutions that -whether formally constitutional or openly dictatorial- had always operated under the control of corporate actors that were the real factores de poder.

To Alfonsín, the social program of the Peronist revolution was otherwise alive and well, so much so that one of the electoral promises that were to haunt him later was that wage levels would never again be used as variables de ajuste, in other words, that never again would wage restraints be introduced in

order to control inflation (as even Perón had tried to do, with limited and strictly temporary success, in the early fifties and again in the early seventies); apparently it hadn't dawned on him that there must have been very serious reasons for the leader of the Peronist revolution to introduce policies that not only contradicted the spirit of that revolution, but forced him to face extreme political risks of which he was only too aware.

Alfonsín fancied himself as the crusader who was to destroy the malignant influence of corporate Argentina, and after achieving victory root an authentic participatory democracy (*democracia participativa*) in the unpromising Argentine soil. While the term was new, it reflected the persistence of the self-definition of Argentine Radicalism that had been valid since its origins in 1892, as a party of citizens whose primary allegiance to the Fatherland and her Constitution made their roots in a specific social class or group politically irrelevant. Such self-definition had an obvious corollary: as the association of all worshippers of the Constitution and lovers of the Fatherland Radicalism was much more than an ordinary political party; it was indeed, to use the words of Hipólito Yrigoyen, "the Fatherland itself at the service of the national Cause of Reparation". Alfonsín didn't ignore that by 1983 the Radicals' ambition to incarnate the will of an unanimous nation was clearly unattainable in a country that for the first time in its history appeared ready to develop a balanced two-party system, but to him this was not a desirable outcome; in his view, since neither Radicalism nor Peronism was able to incarnate national unanimity, both should institute as their common heir a third historical movement (*tercer movimiento histórico*) that would have a better chance of gathering the unanimous support of the citizenry, and in the meantime they would recognize in each other a partner rather than a rival.

He had no doubt that he was called to lead the future political expression of Argentina's reconquered national unanimity, and on this point he had reason to feel encouraged by the disarray in the Peronist movement, orphaned by the death of its founder and further disoriented by its totally unexpected electoral defeat. While the Peronists' first reaction to that defeat had been outrage at the spectacle of an insolent squatter taking possession of a Government House that, as far as they were concerned, should have forever remained *la casa de Perón*, soon some among them were ready to recognize in the new occupant of the house the rightful heir of their disappeared Leader, from whom he had unarguably inherited the role of first dispenser of state patronage.

As can be seen, the miraculous electoral victory that Alfonsín had been almost alone in believing possible had left him in a dangerously optimistic mood. He was not only convinced that there was nothing basically wrong with the economic rationale of the Peronist revolution, but equally sure that under his inspiration and leadership the country was ready to offer its unanimous support to its continuation on more conventional social-democratic lines, after eliminating the influence of the corporations that had ruled the country for too many decades. It would be deeply unfair to ignore that against the most powerful of these corporations, namely the armed forces, he brought his defiance beyond what everybody -himself included- had believed possible, and that while the political cost he had to pay for his audacity was enormous, without it the country would probably be still today adding to the daunting problems that it faces the ones that used to come from an arrogant and overpowering military.

But it is of not only symbolic significance that, speaking to the multitude gathered to celebrate its and his greatest victory against the armed forces -the judicial sentence that found the former military rulers guilty of crimes that went from assassination to trading in stolen goods- he was forced to announce that at that very day the country was starting a different war, one against the consequences of the economic emergency in which it found itself, that forced his government to renounce, among other

promises, that of never again using wages as the variable de ajuste: on the surface, this appeared to open a new stage in the struggle against the corporations, one in which the unions were to replace the army as the main enemy. And the unions eagerly took over that role: in what was left of the Alfonsín administration they were to bring to thirteen the number of general strikes launched in protest of its economic policies. But these general strikes had very little in common with the ones that in the past had announced the toppling of regimes; they were instead one-day affairs, obligingly scheduled on either Mondays or Fridays, that could be simultaneously described in the unions' proclamations as heroic episodes in the history of the class struggle, and as good opportunities for mini-vacations in the ads of travel agents.

And there were reasons for this: while the seven years under the terrorist state hadn't been able to erase the social profile introduced by the Peronist revolution, during these years the hollowing process that had been weakening since the later years of the first Perón administration made decisive strides. In this respect, while the figures that reflect the rise in the share of the self-employed (cuentapropistas) within the economically active population, don't offer the counterpart -as it is usually assumed- for a significant fall in that of wage- and salary-earners (which in 1983, with almost 70% of the latter, was still close to the one of a quarter-century earlier); when linked with the catastrophic fall in the share of petty entrepreneurs, they suggest that one of the features that had made the Peronist revolution so attractive to the urban masses of Argentina, namely its offering the independent urban lower middle classes new and unexpected opportunities to thrive, had resisted erosion less well than the position it had ensured for the salaried working classes in Argentine society.

But even with the latter erosion had advanced more than these global figures would suggest; while the share of wage- and salary-earners had suffered only an insignificant decline, the one in the share of industrial workers had been much more steep. This suggests that the resiliency of the figures on the share of wage earners owed much to the success of the military government's effort to maintain full employment amidst a deliberate contraction of the industrial sector. But it was a totally artificial success, based on the threat of denial of bank credit to enterprises that fired workers (made credible by yet another feature in this decidedly peculiar experiment in neo-liberalism, in which state banks continued providing considerably more than half the available credit). And these policies eroded the legacy of the Peronist revolution in yet another way: by keeping real wages low for years, they threatened the position of unionized workers as a privileged section of the popular classes, that had helped to ensure for them a politically hegemonic position within these classes.

The results of the 1983 general elections already reflected these shifts. In the working-class suburbs of the national capital Peronism recruited its candidates among the leaders of the local branches of the metalworkers' union, and made the boss of the one of Avellaneda, since early in the XXth Century the most important industrial center in the urban conglomerate risen around the nation's capital, its candidate for the governorship of the province of Buenos Aires; not only was the candidate defeated, but incredibly Peronism lost control of the Avellaneda city hall. Herminio Iglesias had an explanation ready for the defeat his party had suffered in his personal bailiwick: Avellaneda -he argued- was by then a middle-class district, and nobody should be surprised if it had voted radical. But, while the explanation had some merit, his defeat had owed even more to massive defections of voters from the popular classes, this was not the only sign that suggested that the massive presence of labor candidacies in the Peronist lists of candidates in 1983 would be the last manifestation of the hegemony that the former backbone of the Peronist movement had exerted over the movement itself: by that time La Matanza, an immense suburban district made up of a mosaic of lower-class communities interspersed with ubiquitous shanty-towns, was already on its way to replacing Avellaneda as the main electoral fortress of Peronism

in greater Buenos Aires, not under the leadership of a union man but under that of the boss of the informal organization that controlled the central produce market for Greater Buenos Aires by no less informal but unarguably effective means, who went on to occupy for years the position of speaker of the lower chamber of Congress while moonlighting with dazzling success as a private businessman, and still retains a marginal political influence in his district.

These were all signs that while on the surface the central problem around which the always conflictive Argentine political life organized its conflicts continued to be the one that Peronism has tried and failed to solve since almost its foundation, the erosion of the society that had offered the stage for that never-ending drama had crossed the point of no return, and that in consequence the country was ready to enter a new era in which a different set of issues would dominate its political life. But, while Alfonsín was not blind to some of these signs (his most ambitious social program directed to the popular classes was a Plan Alimentario Nacional that periodically provided a basket of non-perishable foods to families otherwise threatened by starvation) he never concluded that these drastically changed circumstances required in response any substantial modification in his political agenda.

He still believed that what the country needed was the creation of a democratic political framework for the still valid social compact inherited from the Peronist revolution. Moreover, notwithstanding the insistence with which during his presidential campaign he had described as his first objective the full restoration of Argentina's constitutional order, it soon became clear that he didn't find it totally satisfactory: in his opinion it contained the seeds of the authoritarian tendencies that for the last half century had run out of control. The most important problem with this assessment was not that it was only partially accurate (the Argentine federal constitution of 1853-60, especially after the reform that modified the balance between the powers of the nation and the provinces in favor of the latter, placed so serious obstacles on the way of the consolidation of central power that they could only be overcome by the use of the extra constitutional recourse to financial favors towards accommodating provincial administrations, and the dubiously constitutional use of the constitutionally permitted intervención federal -that temporarily placed a province under the direct authority of a presidential agent- against those less accommodating), but rather the notion, implicit in it, that the main political problem during Argentina's long period of troubles had been an excessive concentration of power in the hands of the chief Executive. This latter assumption, even less accurate as an assessment of the past, offered an additional cause for concern for what it suggested about the use that Alfonsín intended to make of his victory.

He saw his role as that of the leader who could reconcile the country around a set of convictions that were already almost universally shared, even if those who shared them were not yet aware of the fact. Thus, he was convinced that, since it would have been in the best interest of the armed forces to take the initiative in punishing those who had dishonored it during their latest stint in power, they would respond positively to his invitation to do just that, and he expected similarly favorable responses from the other corporate forces against which he had successfully campaigned. When these responses didn't arrive, and instead he found himself enmeshed in chronic conflicts that rebounded once and again, with no end in sight, he discovered that he depended more than he would have liked on retaining an almost universal favorable consensus among those who occupied elected positions in the newly restored democracy; both his sincere distaste for any excessive use of Presidential authority and his shrewd reading of a situation that made too dangerous for him to use that authority as vigorously as some of his predecessors persuaded him that -while these predecessors had been able to use as incentives both rewards and punishments- only the first of these was available to him.

But in choosing this strategy he not only was taking into account the narrow limits within which

he could use his presidential powers, but remained true to the role he had chosen for himself as the guide of an unanimous country, that made it unthinkable for him to plot his relations with political factions and provincial administrations alike on the basis of considerations of self-interest. Of course, with this seasoned and until then almost miraculously successful politician they couldn't be based on anything else, and the consequences of ignoring this unpleasant fact of life went beyond offering too many opportunities to cast doubts on the basic honesty that had been until then the most valuable asset in Alfonsín's political capital.

One particularly good example of what these consequences could reach is the one offered by the public career of Carlos Saúl Menem; first elected governor of his native La Rioja in the Peronist landslide of 1973, in 1983, a Radical year, he was elected again for that position with a much narrower majority, but very soon he became the second most popular politician in the country as the President's man in the Peronist ranks, especially after he gave his enthusiastic support to the treaty that ended the boundary disputes with Chile that under the military had brought both countries to the brink of war, and -in part thanks to Menem's energetic efforts- was approved by a large majority of voters in a referendum, notwithstanding the Peronist party's opposition.

Offering material rewards for supports such, as this had become an important political weapon for the Alfonsín administration: as Alberto Porto remarks in his Federalismo fiscal. El caso argentino (Buenos Aires, Editorial Thesis, Instituto Torcuato Di Tella, 1990) its first years marked the heyday of the Aportes del tesoro nacional (Contributions of the Federal Treasury) that went above and beyond the federal funds distributed among the provinces according to criteria established by law, and could be -and were- apportioned in a discretionary manner by the federal government. As soon as Alfonsín's popularity began to wane, so did Menem's enthusiasm, and gradually what had started as a reward for unsolicited and fervid support slid towards yielding to pressures that could reach close to blackmail, but the latter inducement was to prove no less effective than the former, and in 1986, among all Argentine provinces, La Rioja, with 92,9%, had the second highest proportion of funds of federal origin in the total spent by the provincial administration, and in 1988, with \$5,94 it was again the second in the amount of federal money it received per unit it had contributed to the federal Treasury through taxation.

Generosity towards the provincial treasuries was to prove in the end a political weapon that the Alfonsín administration couldn't afford. The fiscal crisis that resulted in the episode of hyperinflation that brought Alfonsín's presidency to its untimely end reflected the president's failure to impose to the provincial administrations the same restraints that in the central administration had brought about a sustained fall in the level of real salaries and in the state enterprises were reflected in a further deterioration in their performance. As can be seen, while by paying dearly for such support Alfonsín had been able to make some strides in bringing down to size some of the factores de poder that had bedeviled Argentine politics in the last four decades, he prepared the return to center stage of other, by then forgotten factores de poder that had reigned in a more remote past, when according to the then oppositional politicians the country had been ruled by a governors' league that, since it chose the presidents, could and did dictate the terms under which these were expected to exert their mandate.

But it would be a mistake to overstress Alfonsín's contribution to the emergence of the new political landscape that today invites to conclude that also in this aspect the current post-modern Argentina shows an uncanny resemblance to the not quite modern country that it was more than one century ago; if the politics of Argentina during the second Menem presidency have so much in common with those of the second Roca presidency it is not so much because at a certain juncture Alfonsín or anybody else took a certain road instead of another, but rather because Argentina itself -except for

being much poorer- has today more in common with that of 1900 than with the one that in 1946 witnessed the victory of the Peronist revolution.