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Argentina

**"Everything under heaven is in
utter chaos; the situation is
excellent"? Some hasty
reflections on the current
crisis**

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I

The current situation is visibly unstable, fragile, uncertain. Any analysis runs the risk of getting old quickly. There are several factors provoking social and political instability: the worsening economic crisis, increasing social conflict and the (now slightly obscured) "Centeno affair" with increasing political and judicial consequences. [1] We are approaching some decisive moments in the political sequence opened by *Macrismo*, where the plausibility of its strategic objective will be put to the test: inflicting a defeat on the popular classes to make possible a regressive restructuring of local capitalism. We are thus faced with a major social and political battle. Events may be precipitated, for economic, political or social reasons. A greater economic upheaval, a social upsurge, or a major political twist in the event of a detention of [former President, CFK] Cristina Fernández de Kirchner cannot be ruled out. All this indicates the density of the political moment.

As we said in a previous document (after the December crisis): "The dominant classes have the initiative, but have failed to establish, for the moment, a new hegemony or stabilize a new relationship of forces between classes. Even in this defensive framework for the popular classes, neoliberal transformations are slowed down by social resistance. Government policies are advancing, but they are gradually losing their mass base and face recurrent situations of major social mobilization, albeit without an alternative political and social bloc emerging." We define this situation as "hegemonic instability". [2]

August's mega devaluation concretized a qualitative leap within the newly delineated framework. The "lack of dollars", the level of indebtedness, the "mistrust of the markets", and thus the enormous external fragility and the risk of new currency runs, place the country at a critical juncture and on the verge of a crisis of greater proportions. The preceding "gradualism" has broken down, not to return, and we face a real shock therapy hitting the popular classes confirmed in the recent announcements that restructure ministries, cut subsidies and, above all, set the goal of "zero deficit" in tax matters. The successive runs on the currency would seem to place the government in a situation of uncertainty and disorientation, at the limit of losing control definitively. In this context, internal disputes in the government coalition are also flourishing: between the "political wing" and the "technical wing", between the PRO and its radical allies and Carrió, between the government and many of the powerbrokers that gave it sustenance (the *Clarín* group, for example).

In this economic and political crisis, *Macrismo* again comes up against the boundary that has structurally conditioned its whole governmental mandate. As it is in an unfavourable social relationship of forces for the implementation of a violent adjustment plan, the set of measures that it is implementing are experienced as strongly prejudicial by the popular classes, while being insufficient for "the markets" and for the necessary social restructuring that capitalist accumulation in the country needs. The dominant classes need a regressive transformation of the kind that that followed 1976, 1989 or 2001. But current power relations are a real challenge to this. They open, perhaps, two hypotheses to the future. Either *Macrismo* suddenly concretises a brutal fall in purchasing power (via a violent inflationary crisis), and liquidates its political capital in the attempt, (and, perhaps, a future government can pick up the "successes" of the "kamikaze" social transformation perpetrated); or the necessary restructuring is of such magnitude that it is slowed down by social resistance and there is a prolonged cycle of social, political and economic instability (which will transcend the current government).

Today, the main difference between the current crisis and those of 1989 and 2001 is in the political arena: the strong collaboration of Peronism and the CGT. While in those crises Peronism at a certain point decided to confront the government, today most of the PJ is ready to cover politically for *Macrismo*. This is for three fundamental reasons:

first, Peronism today does not have a valid leadership like that of Menem in 1989 or Duhalde in 2001. Second, no fraction of bourgeois politics wants to deal with a "new 2001" which puts governance at risk and presses for large social concessions. Finally, Peronism wants the current government to go as far as possible in the adjustment to offer itself subsequently as manager of the instability that could emerge from the current shock against the popular classes.

An "optimistic" scenario for the government would be that it manages to stabilize the adjustment program while avoiding a large economic upheaval (default, hyperinflation) and/or a popular outburst. In any case, it is not going to be able to avoid a major deterioration of the social situation (better said, its objective is to stabilize the economic situation through devaluation of wages and an adjustment in the public sector to reduce the deficit). Therefore, in the best hypothesis, it will have to face the next presidential elections in much worse political conditions (and perhaps with new candidate or in agreement with a sector of Peronism). A crisis is not a guarantee, by itself, of political defeat for the government, or much less, of a society's "turn to the left." But even a scenario of "controlled social regression" would create many obstacles for government's re-election attempts. It cannot be ruled out that a provisional "victory" of the government - if it is able to stabilize the adjustment by avoiding an economic catastrophe or a great mass mobilization - would then be compensated for with an "electoral sanction" from the people. However, the strategic objective for the popular classes does not lie primarily in the forthcoming electoral contests, from which it is unreasonable to expect a "people's government" to emerge (unless there is a hallucinatory view of the relationship of political forces or naïve expectations of Peronism). Rather, it is necessary to mobilize to break the attempt to manage the crisis.

The crisis opens up a moment of radical uncertainty. A major crisis is a turning point and the origin of a global redefinition of the test of strength between classes. The social and political landscape that would result cannot be predicted. Just as there is a "capitalist" use of the crisis by the employers (attacking wages in the face of fear of layoffs and so on), there is also political leverage on the part of governments. The crisis can push people into struggle but also flatten social expectations and generalize a disciplinary panic. The hyper-inflationary catastrophe of 1989 generated a social disorganization that legitimized Menem's subsequent neo-liberal turn. It is even possible to have a combination of both reactions: 2001 was the response to the crisis from the recession started in 1998, but the biggest blow to wages came after the days of December, with the devaluation of 2002, and generated a relatively minor reaction. As a condensed class struggle, the outcome of the crisis cannot be anticipated.

II

We must not lose sight of the growing role of the judiciary which we have seen in the past few months in the midst of the crisis. It may respond to a long-term trend: the authoritarian tightening of a political regime which is increasingly weak in its consensual dimension. The open operation around the Centeno notebooks puts us before a new phenomenon, of regional scope, that perhaps we could call "judicial Bonapartism". Under the pretext of the fight against corruption, the judiciary is elevated as an arbitrator with regard to the political regime, violating or leading to the limit of formal democratic proceduralism (reaching the point, in Brazil, of perpetrating an "institutional coup"). In alliance with the big media monopolies, this Bonapartism seeks to protect the political regime, harming elemental democratic rights and acting for the benefit of interests hostile to the popular classes.

The unveiling of the intimate links between political power and entrepreneurship has a positive aspect. It can serve to denounce the structural corruption of capitalism, especially in a dependent country like ours. However, we must be clear about the definitely reactionary nature of the whole operation. One sector of the left considers that these allegations of corruption are the battering ram to denounce the political caste together and hope for a "*lava Jato* to the end", in which the arrest of the Kirchnerista leaders would be only the first step. An important polemic is opened here, which could become central in the event of CFK's arrest. We should point out not only that these operations

play a distracting role in relation to the social deterioration and the economic crisis, but that the development of this judicial/media "war machine" responds to interests hostile to the popular classes and aims at reducing democratic rights in a reactionary sense. It is also necessary to be aware that in many cases the "mani pulite (s)" (clean hands) set up favourable conditions for the emergence of authoritarian populist demagogues (such as Berlusconi and Salvini in Italy, or Bolsonaro in Brazil). A sector of the left, which is enthusiastic about allegations of corruption, the arrests of the Kirchnerista leadership and this kind of breakdown of the political class, can end up being placed as the "extreme left" of the neoliberal bloc. The case of Brazil and the differences on the left concerning the "institutional coup" and the arrest of Lula are evidence of the shock that may be in store.

The instability of the political situation obliges some hypotheses. Until now, there were two obstacles to arresting CFK: 1) The fear of social rejection that it could generate (surely higher than that of Lula's arrest in Brazil); 2) Secondly, the government seems to need her as a competitor, to guarantee the division of Peronism and try to take advantage of the hostility she generates. While the former remains in force, and any detention would be a high-risk operation (the combination of economic crisis and CFK's imprisonment could be explosive), there may be sectors tempted to remove CFK as the only way to allow any candidacy coming from the PJ or some "national unity" agreement. For now, Pichetto stands firm in the rejection of any dismissal without firm judgement, but a bill is already underway that would prevent people convicted in the higher court from standing ("ficha limpia", presented by the now famous congresswoman Lospennato). On the other hand, as journalist Carlos Pagni asks: "Pichetto can resist the pressure from public opinion for Cristina to be stripped of her privileges. But can he resist the pressure of his own party, which also needs her as a prisoner? [3]"

An arrest of CFK would be a leap in the anti-democratic interference of "judicial Bonapartism" and would impact decisively on the political situation. Like in Brazil, strict political differentiation from CFK's leadership must be accompanied by opposition to this possible qualitative leap from state-authoritarian hardening aimed at prosecuting social and political opponents.

It is worth noting that the government maintains an ambiguous role to the phenomenon unleashed by the "notebooks". It takes advantage of it, to some extent, but does not feel comfortable with the allegations that touch it closely (Calcaterra, IECSA, Franco MACRI). This seems to show that Macri's leadership power over his socio-political bloc is limited, and that judicial Bonapartism has also risen above its competence and authority (which seems to give support to the "Chinese trail" suggested by several analysts, that this issue has its origin in the US State Department and is a chapter in the trade war between the US and China). The government is trying to contain the case of the notebooks so that it is not affected closely, even more considering that allegations of corruption impact more severely on its social base than on that of *Kirchnerismo*. The bribery allegations in the Senate in 2000 were a wound from which the Alliance government never recovered, which had been installed with promises of "moral and institutional regeneration". The government is trying to surf successfully over the explosive emergence of the issue, but does not seem to control it point by point. [4]"

The "notebooks case" and the economic crisis contribute to the possibility that we will enter a new "crisis of representation" sooner than anticipated. We must be attentive, on the one hand, to the deterioration of the government's standing among the middle classes due to cases of corruption, price rises in public services and economic recession; but also, on the other, to the signs that we can perceive in recent years of the fragility of Peronist identity both in sectors of the formal working class (which voted mainly for anti-Kirchnerist options, as can be seen in any analysis of the electoral demographics) as well as in sectors of the "informal precariat", strongly dependent on state social aid, where political identities are markedly unstable. Against the assumption of a substantial and lasting identity of Peronism as "class ideology", these phenomena demonstrate that the identities of the popular classes are more unstable, fragmentary and plural than the reference to a mythical and eternal national-popular subject as usually supposed. Overall, elements of a possible crisis of large-scale political representation seem to be accumulating, which must be read in conjunction with the erosion of CFK's political leadership in certain social strata.



We are witnessing a growing social polarization and a policy that does not overlap point by point. On the one hand, there are big street struggles (feminist mobilizations, university rebellion, labour disputes and so on), which testify to the persistence of an unanticipated level of social mobilization in our country, representing a tough obstacle to the government's plans. In particular, we are witnessing a historic cycle of feminist mobilizations, which is introducing a new generation to social struggle and has a decidedly anti-neoliberal spontaneous consciousness and significant radical or anti-capitalist expressions. On the other hand, we should not underestimate the social sector mobilized in the 21 August march demanding the arrest of CFK. This is a social layer that precedes Cambiemos and was politicized in the cycle of anti-Kirchner mobilizations (2008, 2012, 2014), rooted in the middle and popular sectors (i.e. not reduced to the upper classes). Far from being "de-ideologizing", the current government permanently exacerbates the preceding polarization and finds a mass base (though not a majority one) that legitimizes and demands the state-authoritarian hardening. Although socially and culturally in a minority, faced with a possible failure of the government to change, this "hard core" could be radicalized in an authoritarian right-wing sense. Particularly in the event of a return to Peronist government, or, even more, a possible failure of a future Peronist government to manage the present economic difficulties.

The situation in the social movement is one of great "disquiet below", coupled with an absence of leadership of the conflict. This absence combines an extremely collaborative attitude from the CGT's leadership (equivalent to that offered to the Menem government); an incipient and hesitant pole of trade union opposition, which includes important layers of the bureaucracy (around the confluence of *Moyanismo*, the federal current and the CTA); the sector of the "popular economy" that consolidates positions and resources, but has lost the dynamic of direct confrontation with the state; and an explosive feminist movement, that is both transversal and radical but unable to offer stable leadership of the social bloc of opposition to the government. In this context of weakness of traditional political and trade union mediations, attention must be paid to the possibility that the emergence of a broad social movement will acquire more "spontaneous", "citizen" forms, as has been the case in the last cycle of international mobilizations (the movement of the Indignad@s in the Spanish state, Nuit Debout in France, the occupation of Syntagma Square in Greece, the insurrections in the Arab countries). That is to say, a type of mobilization characterized by the entrance into struggle of new generations, the occupation of spaces and squares, the self-active role of waged and impoverished sectors, the use of social networks and the emergence of tools of self-organization that play a strategic role in overflowing traditional mechanisms. Without going any further, the antecedent of this international cycle was the 2001 *Argentina*.

Politically, both the economic crisis and the "judicial Bonapartism" against Kirchner tend to contribute to the polarization between the government and CFK. For the moment, there is no room for a new bourgeois political force capable of mediating in the dispute, although this possibility cannot be ruled out in the medium term, since the current polarization (between two "intense minorities") coexists in contradiction with a heavy erosion of both.

How to face the electoral debate that is coming and the polarization between the government and CFK? We must be careful at this point, and articulate intelligently short-and long-term objectives, maintain lucidity and not abandon ourselves to possibilism, but also avoid sectarianism in what could lead to a possible electoral defeat of the government.

The question of defeating neoliberalism posed as an "all or nothing" against Macri disarms activists faced with the real problem ahead. A political orientation reduced to "anything but Macri" can offer provisional minimum reference for disoriented sectors of the left but does not map out the contours of a genuine policy of opposition and of alternative construction. An "indiscriminate anti-Macrisimo" could lose its footing faced with the changes that the current dynamics are outlining.

First, because if a more pronounced decline of the government were to develop, the attention of the dominant classes will turn to some sector of Peronism (or towards a government agreement and, even an electoral pact between the PRO and the Federal PJ). A "naive anti-Macrismo" could become in this case the "left wing" of a continuist experience, as was the alliance with regard to Menem (and repeating the regrettable role of the FREPASO). Second, it is important to identify the exhaustion of the economic conditions that allowed the weak state of class compromise that characterized Kirchnerism. The cycle of economic expansion that started with *Duhaldismo* confronted the typical bottlenecks of Argentina's dependent economy from 2011-2012. A return of Kirchnerism to government could not be a rerun of the preceding period, because the objective conditions and the pressure for adjustment will continue under any government that does not propose to confront big capital (the current IMF agreement, for example, is for 36 months and the most significant debt maturities are for 2020 and 2021). Each political sector can have more or less commitment to the popular sectors, which can lead, in principle, to a greater or lesser aggression against social rights. But any government that succeeds Macri's must take into account the structural inability of Argentine capitalism to continue integrating popular demands and the need to undertake a path of adjustment, albeit perhaps more moderately or at another pace. [5]

To locate ourselves intelligently at this juncture, we must avoid the routine sectarianism of ultra-leftist organizations, but without falling into any vulgar "stageist" conception. It is one thing to recognize that changes in the political superstructure impact on the conditions of struggle and offer different contexts and opportunities. It is something different to assume that Macri's government is an expression of "financial capital" and that it is plausible to return to a "neo-developmental model" or another "class alliance" based on productive capital, SMEs and so on. As we have pointed out, the goal of creating better conditions of exploitation of the labour force expresses the interests of capital as a whole (the last period of government of CFK, especially the adjustment of 2014, is also an expression of this tendency). [6]

This does not lead to ignoring the political impact that an electoral defeat of the Macri government would have. But what would generate better conditions for the struggle is the political defeat of the most aggressive variant of the dominant classes, not necessarily the intrinsic characteristics of the government that emerges as its relay. And awareness of the difficulties and the probable disappointments of any new Peronist/populist sequence obliges us to combine possible slogans of votes "against the right" with a firm political independence.

In this context, the need to build a political expression of struggles becomes as pressing in the medium term as it is unlikely in the short. If Macri's failure leads to a "populist" disappointment, the chances are growing that long-term discontent will be capitalized by radical-authoritarian departures. We are again coming to a major crisis without a radical political instrument that can have an impact in the global situation, which again facilitates bourgeois management of the situation (like that which allowed the rise of Kirchnerism after 2001).

It then becomes imperative to develop a political instrument appropriate to the coming chapters of the crisis, which may be prolonged. In this regard, we can advance two types of indications. First, the construction of a political alternative, in the present period, cannot be reduced to the "unity of revolutionaries" and, much less to the self-proclamation of some small Marxist organization. It is necessary to build a new political force on broad bases, to develop a useful tool that really has an impact on the global situation. Second, and more specifically, it is necessary to analyse the conditions that post-Kirchnerism inherits for the construction of a new political synthesis. Perhaps in the future we will combine two contradictory phenomena. On the one hand, a probable crisis of representation that is favourable ground for the emergence of new forces in the political field. On the other hand, the whole Kirchner period has left us a strengthened group of reformist-bureaucratic organizations (the different currents of "combative Kirchnerism", the *piquetero* triumvirate, and so on), which probably play a role in a process of political recomposition. A "purer" hypothesis, such as the emergence of a sector entirely external to the pre-existing political system (in the style of Podemos or the Chilean FA) seems more unlikely. Moreover, although we recognize the existence of a stable left electoral current around the FIT, it monopolizes the most conscious and combative sectors of society for the benefit of a sectarian policy.

In short, it is reasonable to postulate the hypothesis that a "new force" will arise from the conjunction of these two phenomena: a certain "crisis of representation" that points to sectors outside the political system, together with the stable persistence of reformist currents from the Kirchner experience. However, it is difficult to have ruptures or processes of radicalization in sectors of Kirchnerista activism until expectations in CFK or the overwhelming possibilism of "all against Macri" have been exhausted. Probably only the exhaustion of a new populist/Peronist cycle will generate the conditions for the emergence of a new large-scale regroupment experience. If we are at the beginning of a prolonged period of hegemonic instability, this hypothesis becomes relevant in order to focus on the battles ahead.

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[1] Oscar Centeno is a former driver for a high level official in the Argentine planning ministry, who kept notebooks detailing illicit political payments he had delivered.

[2] Martián Mosquera, ["Estamos frente a un momento "denso" de la lucha de clases, donde probablemente se dirima las características de todo el próximo periodo"](#).

[3] Carlos Pagni, La Nación 23 August ["Un laboratorio electoral hiperactivo"](#).

[4] See La Nación ["Porqué cambió la postura del gobierno respecto a los cuadernos"](#).

[5] See Adrián Piva, *Estancamiento, inestabilidad cambiaria y tendencia al ajuste: la vigencia del bloqueo a la ofensiva capitalista contra el trabajo*, Economistas de Izquierda - Fundación Rosa Luxemburgo, 2018.

[6] See Martin Schorr, *Entre la década ganada y la década perdida. La Argentina kirchnerista. Estudios de economía política*, Buenos Aires, Batalla de Ideas, 2018.