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Argentina

Social movement revitalised

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Saturday August 4: The national leadership of the CTA (Argentine Workers' Federation) has called on state employees, teachers, legal workers, and university professors to stop work for 24 hours to support the piqueteros, who are carrying out the second stage of their plan to block the main road and communication channels in throughout the country.

Tuesday, August 7: throughout the day, hundreds of roads and streets are blocked, public service employees hold rallies in the street and in front of public buildings, academics give public courses and occupy the faculties. Street musical shows in support of the struggles emerge from nowhere. Almost 100,000 people take part in the marches and mobilizations of various types throughout the country.

Wednesday August 8: thousands of people from different trade unions in struggle, neighbourhood organizations, community cafes, [1] students, small traders, academics and intellectuals, answer the call of the CTA and assemble in front of the Plaza de los Congressos.

They warmly welcome the column of piqueteros who have marched 20, 30 or 40 kilometres from different districts of the Buenos Aires conurbation to arrive at the rallying point, defying the intimidation of the government, accompanied by the main leaders of the CTA, by the Mothers de la Plaza de Mayo, by personalities from the world of the arts and of culture and by the different political organizations of the Left. The piqueteros take the head of the approximately 40,000 people who march to the historic Plaza de Mayo.

The crisis shaking Argentina is of such a magnitude and depth that it is without precedent in the country's recent history. The destiny of the nation seems to be at stake. Beyond the economic and political problems, it is a crisis of the future. There is no horizon except a worsening of the current conditions of fragmentation, social exclusion and submission to big indigenous and foreign capital.

The foreign debt (public and private) stands at 200,000 million dollars - more than 50 per cent of GDP. The government cannot pay the interest on the public debt, which amounts to more than 11,000 million dollars per year.

In a speech on July 9, national independence day, the President recognized publicly that the country "was not independent". The finance minister added that "the local and international credit lines are cut for the country", which means that Argentina has virtually suspended payment and is on the verge of the collapse.

After 18 months of government, the current administrators have not succeeded in ending the recession, which began in the middle of 1998, and is entering its fourth consecutive year. In 1999 GDP fell by 3 per cent, in 2000 again by 0.5 per cent and the year 2001 should record a new decline of 1.6 per cent. The national economy is plunged into a cycle of stagnation and depression.

Under the pressure of the international credit bodies and the national bank and with the top priority of obtaining the resources necessary for the payment of the debt interest, the government has introduced the so-called "zero deficit law".

As it would be suicidal to continue to pay the ruinous interest to finance the fiscal deficit, the law says the state can no longer spend more than its receipts - that is it cannot continue to run up a debt.

As the law gives priority to the payment of the interest on the foreign debt, the government has imposed a reduction of 13 per cent in the wages of public sector workers and pensions, a reduction that will be variable from one month to another according to tax revenues.

As this measure has proved insufficient, it has also imposed adjustments and cuts in the whole national budget, which will seriously affect indirect wages and welfare payments. The social impact of more than a decade of neo-liberalism is highly visible: unemployment affects 16.4 per cent of the active population (non-official calculations put the rate as 22 per cent), while under-employment is about 15 per cent.

On the whole more than 30 per cent of workers experience serious employment problems. Almost 40 per cent of the population is poor and 7 per cent among this latter are destitute. Wage earners receive only 19 per cent of national income. The richest 10 per cent appropriate 48 per cent of wealth produced, while the poorest 10 per cent account for only 1.4 per cent. Each day 55 children aged less than one year die of hunger and easily curable diseases.

If Argentina remains the least poor country of Latin America, it is also the country that during the last decade has recorded the highest indices of growth of poverty.

Crisis of hegemony

In the space of a few months, the crisis has consumed three finance ministers; the institutions of parliamentary democracy have been emptied of their substance; the government and even the system of domination have lost a broad part of their social legitimacy.

As could already be foreseen during the final stage of the Menem government, the crisis of hegemony inside the dominant bloc, that the Cavallo Plan had succeeded in constituting since 1991 through the sinecures of privatisation, has begun to reopen with the exhaustion of the neo-liberal model.

An expression of this is the strong conflict over economic policy between the various fractions of big capital, local and foreign. The big economic groups and the trans-nationalized companies propose generalized devaluation on the one hand and total dollarisation of the economy on the other, while the big banks seek to maintain the current situation and continue to make significant profits through the refinancing of the debt and the cashing of commissions.

Under the domination of finance capital, all fractions push for the reduction of public expenditure, affecting to be unaware that the balance sheet of the national budget is in surplus if interest on the foreign debt is excluded.

This conflict is also expressed inside the government and the big parties of the system. These tendency and factional struggles lie behind the advances and retreats of the government, the atmosphere of improvisation and hesitation over what decisions to take.

Before the clear absence of hegemony - understood in the Gramscian sense as the capacity of a fraction of the bourgeoisie to impose a program on the rest of the population - the different fractions of capital and the political tendencies mutually neutralize each other.

What is at stake is a re-composition of political alliances, in harmony with the degree of concentration and centralization of capital reached, which seeks to render viable the adjustment underway and which can impose the

necessary social control to develop a program for emerging from crisis.

Revival of social movement

As a counterpart the social movement in general gives indications of a qualitative leap. Throughout these years, the struggles of employed and unemployed workers and of various social movements have multiplied, although they amount to partial, fragmented struggles and there is a certain inability to centralize them and ensure their continuity. However, the great political crises have an incalculable a priori value.

With the exacerbation of the crisis, the social movement has shown signs of re-composition, under forms of independent self-organization and self-management of its own needs, the fabric of class solidarity seems to recompose.

For the moment it is not a generalized tendency, but there have been several edifying examples. The piqueteros and unemployed of the Province of Buenos Aires [2] block roads and express solidarity with the piqueteros of the Province of Salta in the north of the country, brutally repressed by the police (two workers killed and several detained).

The state employees, from the airline and teaching have demonstrated in solidarity with the piqueteros; the latter have mobilized in favour of the civil servants and teachers. And so on.

Several of these struggles unfold on the margins of traditional structures and methods, with embryonic forms of self-organization and direct action, while others are led by trade-unions, in a social process of objective convergence whose distinctive feature is the deep democratic content which runs through the movement. This culminated with the "First National Congress" of the social, neighbourhood and unemployed organizations" ([see next page](#)).

The depth of the crisis and the revitalization of the social movement has had strong repercussions inside the party system. The governing Alliance is divided, the Government is experiencing serious difficulties in disciplining its own supporters, the principal opposition force cannot fix a definite orientation, there are a number of rupture of party structures and some new political formations which seek the votes of the big parties.

From various sectors, there are calls for the formation of a "government of national salvation" but nobody defines with any clarity its objectives and makes no specific proposals.

The Left is reinforced in this process on the other hand. Its various parties and organizations present, although in a limited manner, a greater social insertion and a greater public recognition. One sees it in its intervention in the social struggles and its electoral perspectives. Overall, and despite its division into several currents, there is a significant perspective of growth in the voting intentions for the left in society.

Shadow of the police State

This portrait of the situation will undoubtedly change during the national parliamentary elections in October of this year. Everything points to a great dispersal of votes and an electoral catastrophe for the government. Thus, the political situation is very dynamic but also very dangerous.

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The pressure of the financial sectors has constituted a veritable civil coup d'état. The president of the Banking Association initially and the Rural Company then, meeting the President and his ministers, have demanded repression of the social movement, speaking about anarchy and the pressure of the road blockades.

Within various influential circles the talk is of a form of a state social control and the shadow of a police state - with the national police transformed into a militarised police force - hovers over all these circles.

In this game of pressures, predominant is that which comes from US hegemony, seeking to force Argentina's rapid adhesion to the FTAA (Free Trade Area of the Americas) with the double objective of displacing European capital and achieving the maximum mobility for their own capital, and also to isolate Brazil, whose position is much more autonomous than that of Argentina.

There do not seem to be too many alternatives. Either the government advances on a path of deepening of the economic policy currently being followed and of political authoritarianism policy, or the social movement advances, strengthening its autonomy and its independent forms of organization and, by defending public liberties and expanding democratic space, it imposes a way out of the crisis.

[1] "Comedor comunitarios" or "community cafes" play the role of self-organized "popular soup kitchens".

[2] This province surrounds the capital, Buenos Aires, but does not include it.