

# **Some hasty reflections on the current crisis in Argentina: “Everything under heaven is in utter chaos; the situation is excellent”?**

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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. [