

Argentina: 18 Months of Popular Struggle – A Balance

James Petras – May 28, 2003

Introduction

I spent the month of May 2003 in Argentina visiting factories, working class suburbs, villas de miseria (impoverished housing of unemployed squatters), lower middle class assemblies in the cities, social centers of the unemployed and universities, interviewing trade unionists, unemployed workers, student and faculty activists, human rights activists, film and video makers, the Madres de Plaza de Mayo (both sectors), writers, doctors , journalists, and Marxist and center-left political leaders. This was my 38th year of visiting, studying and giving talks in Argentina. I spent most of my time in Greater Buenos Aires and in the province of Neuquen, where Argentina's foremost ceramic factory was taken over by its workers and is run on the basis of a system of democratic self-management.

Argentina is the third largest economy in Latin America (after Brazil and Mexico) and up til the end of the past century had the highest standard of living in the region. Since then it has one of the highest poverty and indigency rates in Latin America, barring Central America and the Caribbean.

To understand the complex and changing reality of Argentina today, a five year economic depression, financial collapse, popular uprising and mass movements of 2001-2002 as well as the recent return of traditional political parties to political power , it is important to identify the principle political economic events which shape the present and future perspectives for the popular social and political movements.

Seven Thesis in Argentina

- (1) In the course of the past decade and a half, Argentina has passed from a speculative boom in the mid-1990's to an economic depression (1998-2003) to a popular uprising in 2001 and

the flourishing of mass movements to the current period of the ascendance of right wing political parties and personalities.

- (2) The working class and poor have shifted from mass direct action to high levels of electoral participation between 2001 and 2003 – the abstentionist campaign of sectors of the left in the presidential elections of 2003 was a total failure – as 79% of the electorate voted.
- (3) The unemployed workers movement to occupy factories and self-manage them has been in part reversed – the state is forcibly and successfully evicting workers in some factories and the remaining factories are largely on the defensive.
- (4) The unity of the popular assemblies and unemployed workers movement has given way to fragmentation and in some barrios the return of local Peronist bosses with their clientelistic practices.
- (5) The profound social-economic crises continues and despite the fragile “stabilization” during 2003, poverty and indigency rates continued to rise even as unemployment rates declined slightly.
- (6) The “fundamentals” of the economy continue to be incompatible with any sustained economic recovery, as the neo-liberal economy continues in place, new investments are absent, privatized foreign owned firms and their local associates continue to decapitalize the economy (\$19 billion dollars outflow in 2002) , the power of big capital remains in place – sustaining widening social inequalities.
- (7) While the mass movements have ebbed and conventional politicians dominate the electoral field, the popular organizations continue to struggle; they have suffered no decisive defeats and are capable of regaining the high ground if the economy goes into another tailspin and the movements are able to build a unified socio-political formation oriented toward state power.

In order to analyze these “theses”, related to contemporary Argentina, it is necessary to briefly survey the political economic events leading up to the December 19-20, 2001 popular uprising. We can divide the political events into two parts on the bases of Argentina’s Presidents responsible for the boom and collapse.

Menem and De la Rúa Presidencies

The Menem presidency (1989-2000) was a period of massive foreign borrowing and privatization of all the major and most of the secondary industries, service firms, banks and public utilities. Most of the loans and revenues were spent on purchases of imported consumer goods, billions were stolen in monstrous corruption schemes and in financing the electoral party (“The Justice Party” – Peronist) of Carlos Menem. The stock market rose, the foreign banks provided dollar accounts as the government inaugurated a policy of dollar for peso convertibility rate. By 1998 the speculative-debt ridden-foreign owned-nonproductive economy went into a recession/depression which deepened each year. Unemployment soared, factories unable to compete with Asian and US-subsidized exporters under the free market neo-liberal regime, went bankrupt. Wealthy “insiders” withdrew billions and sent their funds overseas. Tax evasion by the rich was the norm. By the end of Menem’s second term in 2000, the economy was spiraling out of control, and a major depression was impending: Argentina’s debt had doubled and the means to pay the debt and finance a recovery were absent. In 2000, De la Rúa from the traditional Radical Party in alliance with a self-styled center-left coalition was elected. De la Rúa exacerbated the crises with a tight money policy, deregulated financial markets and met foreign debt payments in the tens of billions of dollars, while unemployment surpassed 20% and incomes plunged by 30%. In the run-up to his forced resignation, foreign owned banks transferred over \$40 billion to their home offices. De la Rúa froze all savings and checking accounts depriving the middle class of all their savings, while the banks declared insolvency, literally destroying the savings of pensioners and 5 million middle class Argentines. The economy plunged to a record minus 15% growth in 2001-2002,

unemployment soared to 25%, salaries were reduced by 65%. Massive street protests blocked highways. On December 19, 2001 hundreds of thousands of pot-banging impoverished middle class individuals and pensioners, unemployed workers and trade union activists converged on the presidential palace in the Plaza de Mayo demanding the ouster of De la Rúa. Mounted police wielding clubs attacked the protesters who retreated, regrouped and were met with police bullets. Over 30 protesters died and scores were wounded. De la Rúa resigned and fled in a helicopter. Congress was attacked as tens of thousands of protesters met in the Congressional square.

In the interlude the economy was totally paralyzed for almost two weeks. Congress met and selected three presidents in less than a week, each forced to resign by the protesters. Finally the provincial governors, congresspeople and party bosses of the Peronist party (JP) selected Duhalde to the presidency.

The Duhalde Presidency – Part One: the Ascendancy of the Popular Movements

The popular uprising of December 2001, despite claims by some leftists of a “pre-revolutionary situation”, was a spontaneous mass rebellion with a limited agenda and widespread popular support that ranged from the destitute to the former affluent small and middle level business class. The uprising in Buenos Aires was followed by similar explosions in the interior among the bankrupt and depressed provinces.

More significantly, neighborhood popular assemblies spread throughout the city of Buenos Aires, hundreds of thousands met spontaneously to discuss their losses, their predicament; those who previously suffered quietly spoke up at meetings voicing their anger and the debate continued for hours at a time. Hundreds of proposals and radical demands were voted on and approved – though few if any were implemented. The established small Marxist parties and anarchists intervened – each with their own agenda and conception of the role the assemblies should play. Arguments between them extended into almost nightly meetings in parks, plazas

and street corners. The anarchists arguing as ‘horizontalists’ for open-ended meetings without agendas, leaders, spokespersons or closure. The Marxist grouplets were for a fixed agenda (their priorities), for an established leadership (their cadres) and majority votes. Each saw the assemblies as prototypes of “communes” or “soviets”.

Throughout January and February, the unemployed movements (MTD) and the neighborhood assemblies converged in mass street demonstrations. The middle class assemblies’ demands for the unfreezing of their savings were supported by the MTDs and they in turn participated in the blocking of downtown streets in support of the “piqueteros” (picketers – unemployed workers) demands for jobs and food aid. Conferences were convened to unify both movements along with human rights groups, university movements, progressive intellectuals and trade unionists. At best temporary agreements were reached among the leaders of the multiplicity of groups but subsequently each proceeded according to their local agenda. Among the mobilized unemployed and barrio assemblies there was a general rejection of the traditional political leaders expressed in the slogan, “Que se vayan todos” – which for the anarchists, spontaneist and many social movement leaders meant a rejection of any form of political organization and electoral activity. What was an initial healthy spontaneous rejection of the dominant political class turned into a dogma, precluding the development of a new political leadership and flexible tactics capable of gaining institutional political power. At the high point of popular mobilizations in early 2002, analysts estimated that between 2 and 3 millions Argentines participated in some kind of public protest. The unemployed organizations included upward of 100,000 active supporters who participated in scores of road blockages and peaceful occupations of government offices.

By late 2001 and continuing into early 2002, scores of factories were occupied by workers threatened by mass firings and factory closures.

Clearly the capitalist system was in deep crises, the traditional political leaders and parties were discredited or in retreat, and the new social movements were gaining political prominence.

The major challenge to the activists was how to sustain and extend the movements, how to secure influence or control over public resources to fund jobs, housing and health systems and finally how to develop organizational coherence, political leaders and a common program to bid for state power.

While the unemployed workers movement initially proved promising in pressuring for jobs and funding for local projects, it soon confronted a series of serious problems. First the movement appealed to only a fraction of the unemployed workers – less than 10% of the 4 million. Secondly while the MTD's were quite militant, their demands continued to focus on the 150 peso a month public works contracts – there was little political depth or political-class consciousness beyond the leaders and their immediate followers. The assumption of many of the leftist-anarchist and Marxists was that the crises itself would “radicalize” the workers, or that the radical tactics of street blockages would automatically create a radical outlook. Particularly harmful in this regard were a small group of university students who propagated theories of “spontaneous” transformations based on not seeking political or state power but retaining local allegiances around small scale projects. Their guru, a British professor devoid of any experience with Argentine popular movements, provided an intellectual gloss to the practices of his local student followers. In practice, the deep structural problems persisted – and the new Duhalde government soon initiated a major effort to pacify the rebellious townships of unemployed workers, providing over 2½ million job contracts for 6 months, distributed by his loyal ‘point men and women’ in the barrios. This move undercut the drawing power of the radical leaders of the MTD to extend their organizations and provided the Peronist party the organizational links to the poor and unemployed for future elections, particularly since the movement leaders rejected electoral politics and neglected any sort of political education. Over time most of the initial followers of the ‘anarchist’, spontaneist and ‘no-power’ grouplets abandoned them for the Peronist-controlled unemployment committees. By early 2003, the traditional right populist Peronists were re-entering the unemployed barrios and establishing

clientalist relationships even with activists who continued to support the leftwing MTD's and engaged in street blockages. While all the Marxist grouplets were active in some form in all the assemblies, MTD's and factory occupations, their initial organizational contributions were more than negated by their sectarian tactics, largely dominating discussions, gaining leadership positions through prolonged meetings (the sectarians' specialty) in which most new militants departed before midnight. The result was a variety of MTD organizations and "coordinators" with competing sets of leaders, divided by minor differences and frequently unable to act in common on May Day, let alone in daily struggles. Left sectarians divided the movements but they were not alone. Another serious blow to the development of a unified socio-political movement was dealt by a group of militant MTD leaders who raised the ambiguous term "autonomy" to a universal principle. Initially autonomy was understood to mean independence from domination by the electoral parties (left and right) and the corrupt bureaucratic trade unions. Over time however "autonomy" came to mean negative attitudes toward any political coalition, alliances with any trade union, and all forms of unity with other social movements except on a tactical basis. Extreme "autonomy" precluded any strategic alliances.

The MTD remains today a vital force in the poor barrios but their power to mobilize has diminished, their movement is divided and some activists are increasingly being co-opted.

The neighborhood assemblies which sprang up throughout Buenos Aires between January and May also went through a similar metamorphosis. In the beginning spontaneous desires to become involved and discuss with neighbors and friends, the common plight of lost jobs and savings, and home foreclosures rallied tens of thousands to local neighborhood meeting places. At first there were endless open-ended discussions which allowed the airing of ideas, some immediate and practical, some revolutionary and ideological, some quirky and therapeutic. Meetings lasted throughout the night without reaching any definitive plan of action except to meet again in a few days. Attempts were made to elect leaders or even coordinators to convoke meetings, formulate an agenda (any agenda), but the spontaneists and anarchists intervened to

denounce any practical measures or structures as “authoritarian” or “manipulative”. In the ensuing debates about whether to have an agenda, the Marxist grouplets intervened with rational arguments but for sectarian ends. The endless procedural discussions and longwinded debates between anarchists and Marxists caused many to drift away. The increased influence of the Marxists with their domination of the debates and agenda drove many others to the local cafes to watch the football matches. In January, hundreds attended meetings in Centenario Park; by the time I attended in early April 2002, there were less than thirty, most of those militants of party organizations. The neighborhood assemblies vanished or turned in some cases to forming commissions to solve local problems.

Meantime, the Duhalde regime began to crank up the repressive machinery of the state. The turning point was the police assassination of three unemployed demonstrators blocking the Pueyredon Bridge leading to Buenos Aires from the suburbs in June 2002. Thousands mobilized the following days. Video footage clearly identified a police inspector shooting an injured demonstrator in the head. The video was shown widely. After the protests diminished the regime began a series of attacks on homeless squatters occupying abandoned buildings, driving them into the streets. Throughout the latter part of 2002, worker and unpaid employee demonstrations in the provinces, especially in the northwest (Salta, Jujuy and Tucuman) were violently repressed. By the end of 2002, the Duhalde regime announced new elections for May 2003, betting on a relatively stable economic and social situation and on the minimum work contracts to carry the day. Duhalde, himself, would not be a candidate – largely discredited because of the astronomical poverty figures (they rose from 50% to 60%) during his 18 months in office. Nevertheless he ‘nominated’ and backed a replacement, Nestor Kirchner – the eventual winner. In 2003 the courts with Duhalde’s concurrence ordered the occupied worker-run factories to be returned to their owners, including two of the major symbols of the leftist ascendancy: the Bruckmann textile factory in Buenos Aires and the Zanon ceramic factory in Neuquen province.

The regime was able to dislodge the workers in Bruckmann but failed in Zanon. It is important to analyze the reasons for the partial victory at Zanon.

Zanon Ceramics: Self-Management 2003

Zanon ceramic factory is located in Neuquen province in the Patagonia region and is one of the leading floor and wall tile factories in Argentina. The factory was inaugurated in 1979 with four lines of production thanks to a free land grant, state credits, tax exemptions, as well as subsidized gas and electric rates. By the time it was taken over (2002) it had an overall debt of \$75 million dollars to various public and private creditors largely accounted for by siphoning of profits and borrowing from compliant public authorities.

In 1998, Zanon's bosses with the assent of the accommodating trade union bureaucrats fired 100 workers – precipitating a shop floor movement within the plant to replace the local union delegate tied to the bureaucracy and the employers. At first, the 'internal union' functioned clandestinely to avoid being fingered by the bureaucrats and fired by the employers. The appeal of the organizers were job protection, worker power in the factory, better working conditions, an end to lying by trade union functionaries and most important – open discussion and votes in factory assemblies. The official trade union officials vehemently opposed the demand for popular assemblies, as well as many other demands. They argued, alongside the employers, that the firm was in 'crises' – even as plant accountants close to the grass roots movements presented documents to the contrary. Zanon employers tried to divide the workers along generational lines – by closing down old lines of production and retaining the new ones. The bosses also introduced "flexible work", firing all female production workers by forcing workers to combine heavy lifting along with operating machinery. Late in 1999 the rank and file movement decisively won the factory elections and in 2000 they won the provincial elections by a 3 to 1 margin. There are several ceramic factories in Neuquen. In the lead up to the factory occupation in October 2001, the employers delayed wage payments, closed the infirmary and

cafeteria, and on November 28, 2001 fired, en mass, most of the workers and closed the factory – a bosses’ lockout. On November 30, the Zanon workers peacefully marched to petition the government to intervene but were brutally repressed. The workers began to leaflet neighborhoods, centers of unemployed workers, and public sector employees like teachers and health workers. Their slogan, “A worker managed factory at the service of the community” , appealed to broad sectors of society, including sectors of the Catholic church and civic groups. In March 2002 a multi-sectoral march of 3000 freed 19 jailed ceramics workers. On March 2, 2002, the workers occupying the factory voted to begin production. The choice was between being unemployed and receiving a subsistence dole of \$50 dollars a month (150 pesos) or taking over the factory. The vote was unanimously favorable to a worker-run factory. A factory assembly voted to fix a 800 peso ceiling on wages – paid equally to women cooks, accountants, skilled and semi-skilled workers. The workers formed commissions for administration, sales, security and production. The plant employs 310 workers who support 1500 family members. The policy of the workers is to ‘buy local’ as much as possible – raw materials, machine parts, food , work clothes etc.. The workers’ consumer power has stimulated local small retail shops. The Zanon workers have worked closely with the MTD in Neuquen, joining in mass demonstrations in defense of the worker-run factory and in defense of the unemployed workers’ demands for housing, public works and jobs. For the past 15 months the Zanon factory has been functioning under worker self-management while several other worker-run factories have been intervened by the state, the workers dislodged and the plants returned to the bosses.

Several factors account for the success of the Zanon workers in maintaining control and continuing production. First of all they built a broad alliance including several trade unions (the teachers, public employees, university professors), students, church groups – including the Bishop, and the unemployed workers organizations. These forces have mobilized to block police raids and to pressure the city mayor and state governor to negotiate and not repress. Secondly the workers inside the factory in their assemblies have developed a high level of class

solidarity and class consciousness before the factory takeover. This facilitated lively and open discussions and the election of a coordinating committee which reflected the diverse interests of the workers. A few of the leaders are members of small Marxist parties but they are a minority and more important their first loyalty is to the factory, listening to the assembly and building a coalition. They are not in there to impose a sectarian line. No 'personality' dominates the meetings or assemblies.

Thirdly the Zanon workers have "learned what they didn't know" in running the factory. They have compensated by drawing technical and administrative support and short courses from the engineering and business schools, as well as from a few administrators who stayed on and work with the new worker-run factory. Equally important, workers have learned by doing. They combine productive activities with political mobilization in solidarity with other oppressed groups like the Mapuche Indians, the unemployed workers and others. They change work shifts at times to attend political demonstrations and convoke assemblies for "special events". Most everyday decisions related to production are taken by commissions which report back to the assemblies on a weekly basis. The assembly elected a former top administrator as executive director, subject to recall by the assembly. The factory books are kept by two accountants and in information specialist. University medical personnel—nurses, doctors and psychologists – volunteer to work on a daily basis with the first aid specialists in the plant. According to the plant psychologist – stress is the major health problem caused by the taking on of new responsibilities, fears of a government plant seizure and constant harassment by judges and judicial orders of dislodgment. Some workers were so used to taking orders that their new responsibilities caused them to suffer stress out of fear of failure. Factory discipline is high – there are low levels of absenteeism or lateness and workers are eager to add production capacity to increase employment among their unemployed allies.

Several major problems face the Zanon workers. First the threat of a judicial order to dislodge the workers by force. The Zanon workers have secured 40,000 signatures for a petition calling on the state legislature to expropriate the factory under workers control.

Secondly the plant is functioning at 20% capacity because of the lack of credits, capital and loans – the state and provincial governments refuse to provide any funds – though the state has spent billions bailing out banks and private monopolies.

Thirdly the workers need to improve their marketing. The state and big capitalists in Neuquen have pressured enterprises not to purchase Zanon products – the governor who mouths “Buy Neuquen” slogans, imports ceramics from Brazil rather than Zanon, as part of a concerted campaign to undermine the self-managed factory.

Fourthly the workers need to establish a depreciation fund. Currently expenditures include 70% for raw materials, 15% for salaries and 15% for taxes, electricity, water and of net revenues, leaving few if any funds for new investments or capital replacement costs. The workers are aware of these problems, and as one leader states, “we are constantly learning, we started with no experience but we have operated the factory now for 18 months, and we will continue to grow, expand, employ as many of the unemployed as is feasible and serve the community.”

While the workers have been steadfast in their struggles, resisting physical attacks and arrests, confronting and defeating trade union bureaucrats, defying the pro-boss judicial system, the violent assaults by the police and boycotts by the governor and major corporations, their heroism succeeded in sustaining the factory because they also reached out and secured the support of engineers and technicians to train and advise them as well as building a broad coalition which included the left but also the church, trade unions, students and the unemployed. Without the broad coalition and active support of professionals the workers would not have succeeded. The virtual absence of sectarian politics and the broad community support probably has a lot to do with the geographical site of Zanon. In the provinces, the sectarian infighting is

less intense, as everyone knows and works together on a face to face basis and camaraderie at the workplace is stronger than ideological nitpicking – particularly when it comes to closing ranks before a major threat. Likewise, in the provincial cities, the concept of ‘community’ is stronger, the social networks link with family, neighborhood and social organizations creating closer bonds of social solidarity in which ‘reciprocity’ in supporting each others struggle is a common feature.

Telephone Workers: From Temporary to Permanent Worker

Another example of workplace victory in the mass struggle of Argentine workers since December 2001 is found in the struggle of a group of young temporary workers against the telephone company. The success of the struggle was based largely on self-organization and cooperation and aid of veteran militant workers who had previously struggled unsuccessfully against the privatization of the firm. Almost all of the temporary workers were university interns supposedly receiving “on the job training” for a future career. In fact they were contract workers excluded from any social benefits – like millions of other young workers. The monthly salaries for “temporaries” range from \$115 (USD) in the provinces to \$200 (USD) in Buenos Aires. The university received 10% of the salary as a job agency. The student-workers were signed to a 4 year contract as “temporaries”. Permanent workers received \$350 USD plus pension, health plans, vacations and an end of the year bonus of two months pay. After the first 6 months the ‘temps’ realized two things: (1) the jobs had nothing to do with their university training and (2) there were no other jobs in the labor market. They realized they were “workers” not students in transit to something better. For over a year the “temps” maintained a clandestine organization and published a bulletin. In December 2001 just before the popular uprising, the telephone company fired the leaders of the temporary workers. The temporary workers who worked alongside permanent workers were the best organized largely because the union delegates in the buildings where they worked provided support and solidarity. They organized a strike which

spread to other buildings and sectors which were exclusively temps. The trade union bureaucracy attempted to break the strike and then acquiesced because of the spreading mass protest in the streets, leading to the popular uprising of December 19-20, 2001. The temporary workers won the strike – and became permanent workers and secured better protection and shorter “trial periods” for newly employed temporary workers. Clearly the victory of the temporary workers depended on inter-generational solidarity and breaking down boundaries and fears between the ‘temps’ and the permanent workers. The older workers feared that the ‘temps’ would replace them and the ‘temps’ thought that the permanent workers would ignore them in pursuit of their own economic interests. The crucial bridge was the militant class conscious union delegates who had the experience and capacity to resist the union bureaucrats and provide the organizational tools for victory.

Rio Turbo

Rio Turbo is a mining town in the inhospitable southern tip of Argentina and host to a militant coal miners union which successfully led a struggle to re-nationalize the mine – at least partially – but with the co-participation of the union bureaucracy. Several of the key union leaders are members of a Marxist party, however, they are union leaders first and party loyalists second, frequently disagreeing with their party’s diagnoses and sectarian practices.

The factory was privatized in 1994 and partially re-nationalized in early 2002. The trade union bureaucrats of the Light and Power Company own 25% of the stock as do other private stock holders. The partial re-nationalization was the result of a joint action between local coal miners union, other public sector unions and a general community assembly of 3000 people (21% of the 14,000 residents in Rio Turbo). The practice of mass community participation and solidarity long preceded the events of December 2001, though perhaps the size of the turnout reflected the influence of events in Buenos Aires. After the workers’ partial success the barrio assembly disappeared – and will reappear when there is a big issue affecting the town or region. The key to

the community turnout was the mining enterprise contract, the role of the state in preventing the privatized firm from going bankrupt due to mismanagement and disinvestment.

In 2003 with the presidential elections pending, the vast majority of the workers voted for Nestor Kirchner, as a moderate alternative to the rightist Menem – and the left trade unionists had no influence on their union supporters' voting behavior: the “abstention campaign failed and the candidates of the Marxist parties barely registered (garnering less than 2%). The Marxist trade unionists criticized the left parties – including their own – for engaging in politics with a “pail over their heads” , their slogans echoing in their ears, and confusing the echo of their own voices with what the vast majority of workers were thinking and saying. The leftist trade union leaders in Rio Turbo, unlike the Marxists in Buenos Aires, did not see the December 2001 popular uprising as a “pre-Revolutionary situation” because , they argued, “there was no revolutionary structure then or now”. The mine leaders traced the decline of the mass movement from the end of July 2002 to the present (June 2003), and flagged the state intervention in the mines in June 2002 replacing the workers assembly with appointed officials as a key moment.

President Kirchner: Perspectives for 2003

The election of Nestor Kirchner in May 2003, marks a new dividing line in Argentine politics, one that will probably have a significant impact on the working class and popular struggles in the immediate future. Kirchner's inaugural remarks, cabinet appointments, military purge and promises to clear the corrupt right-wing Supreme Court judges and meeting with human rights groups augers well for the future of the country. His appointments reflect a moderate pragmatic approach mixing personal supporters from his home state of Santa Cruz, a heterodox social liberal economic minister and several supporters of the outgoing Duhalde regime. His opposition to IMF demands for immediate debt payments and promise to postpone or condition payments on the economic recovery of the country are rational responses to a country in which 60% of the population is below the poverty line and over 20% are unemployed. His “retirement” of 50

rightwing generals and admirals and their replacement with officers, stationed in his home province of Santa Cruz is a security measure to weaken the coup capacity of the US and their allies among the Argentine elite. Kirchner has given priority to financing a \$3 billion dollar public works project to reduce unemployment rates.

These are progressive measures which appeal to the vast majority of Argentines. However there are several contradictory elements in Kirchner's agenda. First and foremost is the issue of political power: his economic strategy of state regulated and directed capitalism depends on the cooperation, investment and production by the banking, agro-export and foreign controlled firms – none of whom have indicated any great liking for any of the above measures. If, as seems likely, they continue their speculative activities, send earnings abroad and fail to invest, Kirchner will face the choice of increasing the role of the state and re-nationalizing lucrative firms or capitulating and backing off his commitments. The second contradiction is between his promise to maintain a tight fiscal policy and provide compensation for private firms who lost out because of the devaluation and the need to increase state spending to finance employment generating projects. Kirchner proposes to finance new investment via tighter tax collection and punish evaders – but if past history is any example, he will have a tough time enforcing the measure. Moreover most of the Argentine ruling class consider punishment of tax evaders as a “hostile act” and may condition offers of future investment on a lenient policy toward tax evasion.

Fourthly the rightwing Peronists, including supporters of Menem and the Bush regime, and the bankers are a significant force in Congress, in the Supreme Court and among Governors of several provinces. They are up for election this year. If Kirchner hopes to pursue his pragmatic policy, he needs to mobilize and organize the popular classes —that requires a break with the Peronist Party – which he is unlikely to do. As a consequence, he will have to use presidential decrees or compromise away most of his reforms to the institutional power structure.

At the time of his inauguration, he had the de-facto support of the three trade union confederations, the great mass of the impoverished middle class, important sectors of the public

employees, and their unions as well as the majority of small and medium sized enterprises. He is being pressured by the IMF and local and international finance capital to allow creditors to take over mortgages of tens of thousands of properties owned by the lower middle class Argentines, the latter the very same classes which look to him for new initiatives to move the country to greater national development.

The advent of Kirchner is a major challenge to the new unemployed workers movements and militant trade unionists. They have mostly agreed to suspend militant confrontations for 3 months to give the regime time to define and implement its social and economic policies. Given Kirchner's broad support, this is a realistic and practical approach – which leaves open the possibility of reviving direct action if Kirchner fails to deliver.

Conclusion

Argentine politics have gone full circle from a popular uprising forcing the resignation of a president and several would-be presidents to the return of a quasi-elected president (Menem resigned before the run-off). Argentines have gone from street fighting to the ballot box, from despising traditional politicians to expectations that the newly elected president will begin to reverse the decline in living standards and reactivate the economy. The turn of the cycle was not some automatic 'pendulum movement' but based on the inability of the left, Marxists, socialists, anarchists, "horizontalists" and many others to organize and channel the widespread angry discontent that circulated throughout the country for over 6 months, taking advantage of the collapse of the financial system and mass impoverishment. If ever "objective circumstances" favored a radical transformation, the period between December 2001 – July 2002 was that period. Mass movements in the streets, a middle class proletarianized in living standard if not in outlook, the ruling class badly discredited but never dislodged or decisively defeated. A movement by unemployed factory workers to occupy abandoned factories – 160 factory takeovers among 2500 closed firms in 2001-2002. Beyond the tactical mistakes, several theoretical issues came to the

forefront A massive popular rebellion is not a revolution. To conclude as many leftists and anarchists did that a “pre-revolutionary situation” was present (December 2001- February 2002), and to act as if tending to “reformist issues” and coalition building with progressive trade unions was no longer necessary, led to isolating the advanced detachment of the movement and to losing touch with the great majority of discontented unemployed workers and middle class. The second theoretical point is that no organization had the support to assume any leadership role (even as each pretended to be self-sufficient) and define a political project toward taking state power over time. In the absence of a unified and cohesive leadership, intellectual dilettantes and local leaders carved up the movements in the name of autonomist fetishism, vainglorious vanguardism - they all “put the pail over their heads” and believed their own ‘spontaneist’ or revolutionary slogans – which certainly did not resonate with the masses.

The third point is that social movements, even ones (or especially ones) that lack a political vocation for power and reject political struggle, end up as pressure groups within a political system dominated by the traditional politicians and parties. The anti-political slogan “que se vayan todos” (all politicians get out) intimidated any promising left candidates and ultimately led to the total domination of electoral politics by the traditional right parties.

The final and crucial point is that when the mass of the populace rebelled and turned their back on traditional parties they were not up for an insurrection or organized for a “barricade” style of politics: they sought a unified, credible mass political formation capable of offering the electorate a way out of the crises. While perhaps a minority of activists felt the time was ripe to strike for power, they were fragmented, divided and lacked any experienced leadership capable of organizing a serious bid for power – even a minoritarian one lacking the military means to consummate it. Clearly the “insurrectionary” illusions faded after the heady days of December and early January 2001/2002. The task of organizing the 3-4 million unemployed was on the agenda; the employed workers in the private sector were still controlled by the trade union bosses. These challenges were never met. The radicalized activists in the hundreds of thousands did not

extend to the millions. Yet there was a way to organize a unified mass electoral alternative to begin the process of change since the ruling class was divided into five competing factions. That also was lost – to anarchists who rejected elections, to movement leaders who rejected politics as by nature corrupt and by Marxist sects who each presented their singular gurus to consolidate their 2% of the vote. A missed opportunity for transformation does not tell all of the story. As our case studies of Zanon, the Rio Turbo miners and the young telephone workers demonstrate, substantial victories were achieved: Zanon demonstrated that worker self-managed factories can succeed; temporary workers can change their labor contracts; popular assemblies can work with trade unionists and unemployed groups. The December uprising is a point of reference for millions in Argentina. The heroic days of mass solidarity and changes in regime is a reminder of what popular power can and will do – even if it is mostly spontaneous. A reminder too, that if President Kirchner fails, the cycle may turn again toward mass politics, hopefully with positive and negative experiences to inform the activists and militants.