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Till Death Do Us Part? Kirchnerism, Neodevelopmentalism and the Struggle for Hegemony in Argentina, 2003–15

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The extended Kirchnerist decade in Argentina (2003–15) is reaching its closure, and the political transition towards a new phase of the neo-developmental era has begun. This new phase will be earmarked by the heritage of Kirchnerism as a hegemonic political project and will reflect both the new policies introduced by it and the profound continuities with the neoliberal era, whose main traits were consolidated and perfected during this period (Félix, 2012a). This transition occurs in a global and regional framework that has violently mutated in recent years since the beginning of the 2008 capitalist crisis in the centre, and the unexpected death of Venezuela's President Hugo Chávez.

This chapter analyzes how the era politically dominated by Kirchnerism came to mould the constitution and crisis of neodevelopmentalism in Argentina after the downfall of neoliberal rule. In this process, popular organizations struggled to push forward the organizational momentum that was built through clashes with neoliberalism in the late 1990s. But the limits of Kirchnerism as a progressive, 'social-democratic' movement became evident as it could not surpass the boundaries of dependent capitalism, thus becoming a farce of its own discourse of change.

The chapter is organized as follows. First, we present the basis of neoliberal crisis and the transition into neodevelopmentalism. We then show how Kirchnerism became the political force in office and attended to the need to build legitimacy and hegemony. This process required the neutralization of the potential destabilizing effect of unfettered popular struggles. Third, we explain how the neodevelopmentalist project entered into crisis as its barriers grew and its limits became evident. We also analyze the way in which Kirchnerism tried to displace such barriers without attempting to surpass those limits. Finally, we show how the crisis on neodevelopmentalism turned into a transitional crisis

for Kirchnerism (a crisis for its own transcendence and survival, as it attempted to remain in the government).

KIRCHNERISM, NEOLIBERAL HERITAGE AND THE WEAK STATE

Neoliberalism, crisis and transition

Kirchnerism was born in the explosive transition away from the convertibility plan (CP). The CP (1991–2001) was the vernacular expression of the Washington Consensus in Argentina and expressed the highest form of neoliberalism, which began as a project in Argentina in 1975 (Féliz and Pérez, 2010). The long agony of neoliberal rule in the country (1998–2001) was the outcome of the ‘Menemist radicalization’ of the programme of structural reforms (1989–99), and the development of its contradictions to their maximum expression (Féliz, 2011).¹ After 1999 the coalition *Alianza* (centre-right leaning), which had won the presidential elections, took on the task of trying to avoid the explosion of increasing contradictions. This proved to be impossible (Féliz, 2011a).

This crisis developed within the regional and global framework of the disruption of the basis of the neoliberal project resulting from (a) the upsurge of popular struggles and economic and political crises in the peripheries; (b) the crisis tendencies in the centre (only displaced temporally by means of war and speculation); and (c) the progressive change in the axis of world hegemony towards the East (Féliz, 2011b: 247–8). In Argentina, the violent advancement of big capitals in the process of transnationalization, the increase in the concentration and centralization of capital and the displacement of living labour in the process of the valorization of capital created the material substratum for the crisis (Féliz, 2011a). At the same time, the political recomposition of the working classes in the country fed a cycle of social agitation that progressively undermined the basis for the legitimacy of the neoliberal programme and its state (Dinerstein, 2002). Led in struggle by the movement of the unemployed and factions of the organized labour movement, popular classes were able to erode the legitimacy of the neoliberal programme, leading to its final crisis in December 2001. The political transition included a record high vote abstention and blank votes in the national mid-term elections of October 2001, dozens of deaths by police repression after the 19 December 2001 popular uprising, the resignation of the president on 20 December and a rapid succession of interim presidents that would put Eduardo Duhalde in charge of the Executive power in early January 2002, not by popular vote but by decision of Congress. Being the governor of the province

of Buenos Aires (the biggest, most populous province in Argentina) and having been Menem's vice-president, dominant political forces, led by the Peronist party, saw him as someone able to bring back order and perform the reforms that were needed to surpass the limits of the neoliberal programme.

The organic crisis of neoliberalism in Argentina was superseded through economic adjustment and repression. On the one hand, this was done through a political process marked by an economic programme that attempted to recompose the conditions for the profitability of capital (Bonnet, 2006). These policies involved a huge devaluation of capital in every form (as variable capital, as constant capital, as financial capital, as productive and merchant capital etc.) and a huge transfer of income from labour to capital (Féliz, 2012a; Schorr, 2005). Even if shock policies were able to jump start accumulation, political stability was limited. Mass popular struggles continued across the country as the negative consequences of exiting neoliberalism were significant for most of the population. Real wages plunged 18.1 per cent and employment fell 6 per cent in 2002 in comparison with 2001, as 52 per cent of Argentina's urban population was statistically income-poor in that year (Féliz, 2015: 75). In this context, the multiplication in the number of cash-transfer programmes and beneficiaries was promoted as a new policy of social control to attempt to satisfy immediate demands for income of millions of poor families while at the same time defuse the most radical political demands. In May 2002, the *Plan Jefes y Jefas de Hogar Desocupados* (plan for unemployed heads of households, PJJHD) reached almost 2 million direct beneficiaries. The coercion and repression of social struggles also played a key role in containing social conflict, reaching their highest point with the assassination of the *piqueteros* Darío Santillán and Maximiliano Kosteki by police forces on 26 June 2002.² These killings (and the reaction of popular organizations to them) became a limit to the political transition led by Duhalde, and gave momentum to the project designed to build a new political order that would reinstate the state as the representative of the 'general will' of the people, and could, once more, revive capitalism as a means to attempt to achieve development in the periphery. Mass mobilizations by popular movements forced a government that had come to stay for several years to call for early national elections in 2003. In the meantime, the new economic policy was beginning to be fruitful in terms of capital accumulation – in the third quarter of 2002 Argentina's economy was starting to grow again after 17 quarters of falling real gross domestic product (GDP) (Féliz, 2015: 74).

By chance, a little known Peronist candidate, Néstor Kirchner, won the presidential election in March 2003 with only 22 per cent of the

votes. Kirchner had been a long-running member of the Justicialist Party (the main formal political organization of the Peronist movement) and was proposed by Duhalde as its 'successor'. In the national presidential elections, Kirchner came second (as candidate of the Peronist, social-democratic coalition *Frente Para la Victoria* (Front for Victory, FPV), after Carlos Menem (Peronist but neoliberal) who obtained 24.36 per cent of the votes. The party on the left spectrum with the best performance (*Movimiento de los Trabajadores Socialistas* (Movement of Socialist Workers, MST) gained only 1.75 per cent. However, Menem withdrew from the run-off second round, with the result that Kirchner was automatically elected, since opinion polls indicated that Kirchner would win with a landslide. With few initial allies in parliament and having won by default of its competitor, Kirchnerism as a political force in the state was born with poor original legitimacy.

Kirchnerism: making virtue out of necessity

Kirchnerism appeared as a possible political solution to the capitalist governability crisis caused by the political and economic limits of neoliberalism. Kirchnerism took on the task of amplifying its political base while at the same time looking to deactivate the more radical demands of the popular movements.³ This was attempted within the pre-existing macroeconomic framework, characterized by an expensive dollar, low real interest rates, wages crushed by the inflationary effects of the initial devaluation of the national currency and the reorientation of aggregate demand towards the global market (Féliz, 2015). These were the canonic coordinates of the macroeconomic policy of neodevelopmentalism (Bresser-Pereira, 2010; Curia, 2007). Kirchner's first years were marked by continuities in economic policy, with Roberto Lavagna staying on in his post at the Ministry of the Economy, as did the president of the Central Bank, Alfonso Prat Gay.

Kirchner (as most political leaders within Peronism) had been an ally of Menem in the 1990s. However, in this new time he read the political situation as a period of higher levels of social conflict, a society rejecting the social consequences of neoliberalism, and a regional arena turning slightly to the left, with Chávez's government in Venezuela in the process of radicalizing the Bolivarian Revolution after the oil strike of 2002–03. With this understanding, one that recognized a definite but limited change in local and regional correlation of social forces, Kirchner was able to create a powerful new political coalition based on factions of progressive organizations (such as some from the human rights movement), several *piquetero* organizations (lured in by a combination of genuine political

conviction and economic cooptation), the main organizations within the labour movement, particularly the backbone of the Peronist movement the *Confederación General del Trabajo* (General Labour Confederation, CGT). To be clear, Kirchnerism adopted a populist (not popular) strategy for it needed to recognize the organized presence of a part of the working people while at the same time attempting to limit their political autonomy (Mazzeo, 2010).

Kirchner's government moved forward on a political programme that in public statements rejected neoliberalism and allowed him to win additional constituents. The government rolled back some of the policies of the 1990s, and reasserted state ownership over some of the companies that had been privatized, such as the *Correo Argentino* (Argentine postal service) in 2003, *Aguas Argentinas* (Argentine Waters, the water and sanitation company of Greater Buenos Aires) in 2006 and *Aerolíneas Argentinas* (Argentine Airlines, the national airline) in 2008 (Féliz, 2014). But no significant decisions were made regarding privatized energy, phone, trains, social security and other strategic enterprises and areas, at least until 2009.

With lip-service to national-popular rhetoric (some of it limited by symbolically important decisions, as stressed in the previous paragraph), taking advantage of the improving economic conditions, and having access to the fiscal resources of the national state (that allowed it to favour allies in the different provinces, local governments and organizations), Kirchnerism attacked the two main sources of possible political instability at the time: new young rank-and-file activism in trade unions and *piquetero* organizations.

In the first instance, Kirchnerism looked to channel labour struggles within the traditional institutions of Argentina's labour legislation, in particular through collective bargaining. A new generation of trade union activism had been born in the struggles against neoliberal adjustment, with wide and general demands for wage recovery, employment and improvement of working conditions, and willing to back up their demands with street struggles outside institutional regulations. Most of this activism was based in industrial manufacturing industries, and developed with the protection of the legislation that has historically given important autonomy to rank-and-file leadership on the shopfloor. Some of this new activism was tied to historical radical-left parties of Trotskyite tradition, in particular the *Partido de los Trabajadores Socialistas* (Socialist Workers' Party, PTS). To confront this disruptive activism, collective bargaining agreements (CCA) were reactivated. Capitalist enterprises demanded this in an attempt to fragment and institutionalize the demands of the radicalized bases of organized labour

(Campione, 2008). This process carried on in partial and conflictive ways, mediated by different levels of repression and accompanied by other forms of intervention, such as increases in minimum wages by executive decree (to be included later in future collective agreements). The government had to rely on a combination of bureaucratic control of union membership (mainly through the CGT leadership), the Ministry of Labour's intervention and targeted repression of relevant conflicts (for example, Buenos Aires' floating casino and the synthetic fibres manufacturer Mafissa in 2008, Kraft Foods in 2009 etc.). This strategy was successful in stealing control of the political initiative away from grassroots movements and allowed bureaucracies to channel demands within 'rational' boundaries (Féliz, 2012a).⁴ Economic expansion resulting from the aforementioned changes in macroeconomic policies and the global situation gave way to growth in employment (and falling unemployment) and allowed the absorption of wage increases without affecting the general profitability of capital (Féliz, 2015: 77). This process produced a progressive systemic inclusion of a significant faction of the new working class, even if this process included varied forms of precariousness and informality.

At the same time, Kirchnerism actively operated to contain social conflict led by the *piquetero* movement. In early 2002, Duhalde's government had created the PJJHD to put down the social fire of the post-20 December 2001 popular uprising. The *piquetero* movement was at the time made up of three main political tendencies (Svampa and Pereyra, 2003). One was composed of 'autonomous' movements inspired by grassroots organizing, the construction of popular power and the New Left (NL) experiences. A second tendency was a grouping of movements mainly inspired by the national-popular tradition of Peronism. Finally, there was an aggregation of movements tied to radical-left parties, especially the other important Trotskyite organization in Argentina, the *Partido Obrero* (Workers Party, PO). This plurality of movements made them extremely difficult to deal with. Besides, most movements had been able to gain access to public resources through street struggles, thus gaining greater political autonomy.

President Kirchner's government promoted the implementation of a new generation of social policies, the so-called 'second generation' social policies promoted and financed by the World Bank and the Inter-American Development Bank (IADB) under the so-called 'Basic Universalism' paradigm. These policies helped neutralize the bases of the popular rebellion. On the one hand, these policies operated as complements to increasing inclusion through the labour market. The PJJHD, born as a quasi-universal plan, was progressively displaced by other plans that

tended to emphasize the need for active requisites on the part of beneficiaries (Féliz, 2012a: 114). Some of these new programmes (such as the *Plan Manos a la Obra* (Hands-to-Work Plan, PMO)) were used arbitrarily to compensate with extra resources the more 'complacent' organizations, such as the new *Movimiento Evita* (Evita movement, in tribute to Eva Perón, historical leader of the Peronist party) that articulated the lot of the *piquetero* organizations allied to the government. With a combination of 'stick and carrot', Kirchnerism was able to dismantle most significant opposition to the new hegemonic project in the making.

New myth, new hegemonic project

In a favourable international and regional framework, with a successful combination of policies, Kirchnerism was able to rebuild the myth of capitalist development in the periphery. This was backed by the ascension of popular left governments in Venezuela and Bolivia (with Cuba constituting the radical axis of the *Alternativa Bolivariana para las Américas* (Bolivarian Alternative for the Americas, ALBA) and progressive neodevelopmentalism in Brazil, Uruguay, Ecuador and, for some time, Paraguay, and took advantage of favourable dynamics in world capitalism and the momentum of China's incursion into the world market. In such conditions, the neodevelopmentalist project in Argentina was able to create the material and symbolic conditions for the reconstruction of capitalist legitimacy without altering its foundational basis created through neoliberalism (Féliz, 2015): plundering of natural riches (extractivism) and superexploitation of the labour force, extended transnationalization of the cycle of local capital and dependency on global powers (USA, European Union) and regional sub-imperialisms (Brazil, China). These elements, which were part of the neoliberal heritage, were integrated as foundations into the neodevelopmentalist project.

In its first five-year period neodevelopmentalism, in its Kirchnerist version, was able to increase employment while maintaining high levels of work precarization (over 50 per cent of the labour force), partially recover real incomes for workers while keeping 20 per cent of the working population in poverty (Féliz et al., 2010) and maintain accelerated economic growth. This was the general dynamic of the first phase of the official process of 'growth with inclusion' (the neodevelopmentalist version of the neoliberal trickle-down effect).

New hegemonic project with a new state?

In its first years, the neodevelopmentalist project, incarnated by Kirchnerism, was able to regain in a stable way the profit rate for big

capitals, opening up space for its expanded reproduction. Sustained expansion in accumulation allowed for the creation of a great number of new jobs, albeit of a precarious nature. In parallel, the better organized factions of the working class were able to partially recover their real wages, while more informal workers as well as public employees suffered stagnation in their real incomes, which remained well under the average levels of the 1990s. Average wages grew in real terms by 4.0 per cent annually (7.8 per cent for registered wage-earners) between 2002 and 2006 (Féliz, 2015: 81). Social policies, multiplied under the support of international credit institutions, created a network of survival that, at this stage, allowed the government to contain social conflict.

Kirchnerism aimed at installing the idea that in this new stage the state would reappear as the great peacemaker in the class struggle, as an actor above all class actors. In the social-democratic tradition, the government attempted to recreate the ever-elusive class alliance between labour and the local bourgeoisie. While this had already been a difficult bet in post-war Argentina during the first round of Peronist governments (1945–55), it would turn into an impossible task in the post-neoliberal era (Féliz, 2012b). With no national bourgeoisie at hand, capitalist ‘development’ can only be attempted by fostering a local bourgeoisie of transnational tendencies.

With a political programme of bourgeoisie recomposition in the national-popular tradition of Peronism, Kirchner’s government pushed the state to appear more permeable to the contradictory demands of the different social forces in dispute. The state was thus ‘softer’, more malleable to popular demands, in recognition of a correlation between social forces and a still fragile political equilibrium of classes. However, since the rules of capital had come to deeply permeate the whole realm of social relations, the neodevelopmentalist state was forced to limit emergent social conflict and popular demands within the boundaries of big transnational capital interests. This discourse of development as ‘growth with inclusion’ finds its proper place here to develop for a while as it served the attempt to build a new project with hegemonic capacity, even if in a contradictory fashion.

FROM RECOVERY TO STAGNATION

Consolidation and first transition

The 2005 legislative elections and the 2007 presidential elections were tests for the ability of the government to create a sustainable hegemony of the power of the state. In 2005, the governing FPV obtained almost 30

per cent of the votes for the House of Deputies (HD). While improving its position, the FPV was still weak in terms of representation in Congress since it had, on its own, only 94 of 257 seats in the HD. After 2007, this representation went up to 153 members of a total of 257 deputies and 44 senators of a total of 72. The left (in all its variants) had no representation.

The high point in political terms in this period was the Summit of the Americas in November 2005. Here, Chávez's political initiative was key to bury the *Alianza de Libre Comercio para las Américas* (Alliance for Free Trade for the Americas, ALCA) project proposed by the president of the USA (George W. Bush). For Kirchnerism, this was the chance to amplify its 'progressive' discourse. The rejection by most Latin American countries of this free trade agreement was a significant setback for US interests in the region.⁵ In the 2007 presidential election, Cristina Fernández de Kirchner (Néstor Kirchner's wife) was elected with 45 per cent of the vote.

From 2007 on, the political project of Kirchnerism lacked the few achievements in economic results that had marked the initial stage of recovery after the neoliberal crisis. Economic growth became more unstable, price inflation accelerated and began to paralyze growth in salaries and wages of working families and the labour market strongly reduced its ability to integrate the labour force. There were different factors that contributed to this situation. On the one hand, capitalism in the central imperialist countries was going through a profound crisis of the neoliberal project. On the other hand, the South American region faced a combination of the loss of initiative of the countries in the ALBA project, deepened by Chávez's early death, the consolidation of the neodevelopmentalist projects (under the leadership of Brazil's sub-imperialist policies) and the regional advancement of China in its inter-imperialist dispute with the USA.⁶ Last, but not least, internal contradictions particular to the neodevelopmentalist project were translating into ever growing barriers: high and sustained inflation, growing fiscal deficit and increasing foreign exchange deficit, amongst others (Féliz, 2015).

Adjustment on the move

In this context, the new government of Cristina Fernández de Kirchner introduced a controlled devaluation of the nominal exchange rate and more explicit caps on wage negotiations (Féliz, 2014). Inflationary tensions led popular organizations to renew their struggles. Several organizations from the NL, many of them born from the *piquetero* movement, initiated in 2008 a campaign against inflation that included the organization of 'popular markets' (to sell products at low cost,

without intermediaries) and the demand for the elimination of Value Added Tax (VAT) on basic products.

The neodevelopmentalist myth began to crumble as it had difficulties living up to the expectations it had created. The objectives of progressive redistribution of income and reindustrialization began to reach their limits. By 2006, capital's response to higher wage demands was to increase inflationary pressure, actual inflation began to exceed 20 per cent of the annual rate. Real wages began to stagnate even for the more organized factions of the labour movement. The result was to bring to a halt the recovery in the share of labour in total income that, since 2007, had only marginally improved. However, while real wages stagnated and productivity growth picked up, the inflation rate has remained in the range of 20–30 per cent annually (Féliz, 2015: 81). A process of intensive accumulation (i.e. substantially higher investment rates and productivity growth) failed to succeed the 'easy' accumulation based on cheap labour (extensive accumulation) and high export prices.

In this phase of instability, Kirchnerism decided to displace the axis of its hegemonic constitution. With that aim, it attempted to confront a bleak economic situation with a Keynesian expansion in public expenditures through the flexibilization of monetary policy and the appropriation of available sources of non-tax income. The combination of a wider fiscal base and changing monetary policy was an attempt to articulate an expansive and compensatory economic policy in a framework of general contraction. The objective was to revalidate the 'growth with social inclusion' in this more adverse situation. In order to achieve this, the government needed to do two things. First, there was the need to reform the function of the central bank, which was still ruled by 1990s legislation that did not allow for easy credit to the government. In late 2009, it was decided to legally allow the central bank to pay public foreign debt. This decision created a political crisis in the government as the central bank's president (the neoliberal Martín Redrado, appointed in September 2004) refused to give course to such payments. He eventually resigned in January 2010. Furthermore, in 2012, the reform of the central bank's charter freed its hand to finance a growing fiscal deficit by pure monetary emission. This change would force the central bank to abandon its independent, inflation-targeting policy and make it more concurrent with neodevelopmentalist macroeconomic policy.

Second, the nationalization of the social security system provided the state with a new source of income without having to create new taxation. This decision came after the failed attempt in mid 2008 to raise taxes on soya exports. The mobilization of exporters and producers, which included roadblocks, generated a political crisis in the government with

the vice-president having the swing vote in Congress that rejected the raise. The political consequence of the crisis was the consolidation of a centre-right political space formed by several parties, in particular the traditional *Unión Cívica Radical* (Radical Civil Union, UCR) and the new business-oriented, right-wing party *Propuesta Republicana* (Republican Proposal, PRO). In the 2009 mid-term parliamentary election the *Acuerdo Cívico y Social* (Civic and Social Accord, with the UCR as its main party) obtained 28.9 per cent of the vote, only slightly below FPV's 30.8 per cent. The coalition *Unión PRO* (PRO and allies) got 17.7 per cent.

TRANSITIONAL CRISIS OF KIRCHNERISM IN NEODEVELOPMENTALISM

These new instruments, designed to free economic policy from some (not all) of the remaining restrictions from institutions of neoliberal origin, proved to be of little success in inducing persistent growth. They were unable to displace the structural limits of the economy in the midst of a global crisis. As the world economy began to face its first downturn (2007–09) in this century, the Argentinian economy was well furnished to take the blow and avoid significant negative effects and an outright accumulation crisis. In 2007, international reserves topped 15.7 per cent of GDP (up from only 9.5 per cent in 2003), the current account ran a surplus of 2.8 per cent of GDP (down from 6.4 per cent in 2003) and the national government's primary fiscal surplus was 3.2 per cent of GDP (up from 2.3 per cent in 2003). As exports (mainly commodities) began to fall in late 2008, industrial production stalled. The impact of the world crisis was reflected in falling international reserves and a significant deterioration in the (already fragile) fiscal surplus. However, capital profitability was only slightly affected. After falling in 2008, the profit rate on circulating capital for big companies recovered in 2009 (Félicz, 2015: 84). Thus, a slight economic recovery was set in place for the period 2009–11. In the five years since 2008, average economic growth fell to half that of the previous stage: GDP grew only 4.8 per cent between 2008 and 2013, with at least two years with less than 1 per cent growth.

In spite of the political and social fragmentation of popular protest, the ghost of the upheaval of late 2001 remained as an influence on the form of the state along the entire period. For that reason, in an attempt to overcome the barriers to the hegemonic project in this bleaker stage, Kirchnerism accentuated its national-popular discourse to build the means for materially overcoming the ensuing transitional crisis. If left unchecked, such a crisis would erode Kirchnerism's support and force

it out of government, even if that would not necessarily mean the end of the neodevelopmentalist project (or the demise of Kirchnerism as a political force within the Peronist movement).

Since economic growth was lagging, the government increased the use of basic universalism in its policies, which included increasing pension coverage for people without enough contributions, further generalization of cash transfer through the creation of the *Asignación Universal por Hijo* (Universal Benefit for Children) and promotion of popular credit (and indebtedness) to compensate for wage stagnation. The government also activated an existing but mostly unused programme of subsidies for companies in distress called *Programa de Recuperación Productiva* (Programme of Productive Recovery, REPRO), created in 2002 that permitted the government to subsidize the wage bills of almost 200,000 employees of big and medium sized corporations. This allowed companies to suspend workers – instead of firing them – and avoided a sizable political conflict. Finally, in 2009, the creation of the *Plan Argentina Trabaja* (Argentina Works Programme), consisting of about 100,000 jobs in cooperatives financed by the government, allowed the government to relieve the political pressure that social organizations – with origins in the *piquetero* movement born in the 1990s – were taking to the streets (Féiz, 2015: 84).

This ‘populist’ radicalization was successful in amplifying Kirchnerism’s support in the polls in the October 2011 elections. Cristina Fernández de Kirchner was re-elected with 54 per cent of the votes. At the time, a change in electoral law had created compulsory and simultaneous primaries for all political parties (PASO), and had set a minimum of 2 per cent of total voters required for any party to be able to go on to the official election. This promoted the constitution of a radical left electoral front (*Frente de Izquierda y de los Trabajadores* (Front of the Left and Workers, FIT) from three Trotskyite parties (PO, PTS and *Izquierda Socialista* or Socialist Left, IS). They obtained only 2.3 per cent of the popular vote.

With the support of more than 50 per cent of the electorate, Cristina Fernández’s last government found Kirchnerism confronting the systemic need to push forth the capitalist radicalization of the hegemonic project through devaluation, fiscal and external adjustment, with the aim of overcoming its barriers (inflation, stagnation in production, employment and wages, fiscal and foreign deficits etc.). This decision expressed its desire to search for its continuity in power for the management of the state. In October 2010, the unexpected death of Néstor Kirchner gave a blow to Kirchnerism’s intentions of him coming back as presidential

candidate in 2011 or in 2015 (after Cristina Fernández's last constitutional re-election).

The transition began in late 2011 (right after Cristina Fernández's re-election) with a heterodox adjustment policy, dubbed 'fine tuning' by the government. This new policy was marked by tighter controls of foreign currency markets. In late 2013, the new policies were consolidated by naming a new Minister of the Economy (the Keynesian Axel Kiciloff). A significant devaluation of the peso in early 2014, a progressive return to international financial markets, the amplification of the policies of popular credit for consumption and the strengthening of the strategy of implicit wage ceilings were the key tools in the new strategy. These instruments were used to try to adjust the macroeconomic disequilibria that were most evident and risky for the continuity of the neodevelopmentalist strategy (e.g. increasing foreign deficit and loss of productive activity) and in the development of an 'in the medium run' programme that would consolidate the structural bases of the hegemonic project. Due to this 'fine tuning' of economic policy, in 2014 for the first time in more than a decade real wages fell and so did, consequently, popular consumption.

Increasing fragmentation of the labour movement and growing uneasiness amongst the working people and popular organizations marked this new period. The two main labour organizations were divided into factions more or less distant from the government. In 2008 the CGT became divided in three ways, in 2010 the *Central de los Trabajadores Argentinos* (Argentine Workers Central Union, CTA, born in the mid 1990s and constituted mainly by state employees and teachers) was also formally divided. After many years, factions of the CGT and the CTA prepared a general strike for November 2012, several more strikes would come in the next few years. They would have disparate participation and political impact. Kirchnerism's political control was tested in this final stage since economic stagnation, instability and systematic deterioration of the living conditions of the population were fracturing its political coalition and base. This expressed the weakening of the hegemonic capability of neodevelopmentalism as a project of the dominant classes, and that of Kirchnerism as a privileged political actor that warrants its continuation.

Popular sectors are still lacking political alternatives that they recognize as their own and seem to keep betting for the 'lesser evil' that is, paradoxically, always the worst since it promotes the adaptation towards a historically regressive movement (Gramsci, 1999) and it negates the need to build real radical political alternatives and tends to support reformist options within capitalism (such as Kirchnerism). The

promising electoral front of the anti-capitalist left around the FIT has not become an option for the masses of people in the field of elections. In the recent 2015 presidential elections, the FIT received only 3.27 per cent. With its limits, this convergence seems to be part of an 'in the medium run' political alternative for radical transformation, to build a political unity in the diversity of practices and traditions that can recover the best of popular 'good sense' (to paraphrase Gramsci) as part of a wide strategy for the construction of popular power. In fact, many popular organizations promoted and campaigned for FIT, even if not formally being part of it.⁷

The new economic policy puts Kirchnerism into crisis (since it needs to find ways to present itself as a dominant political force) and the radicalization (capitalist intensification, if you will) of neodevelopmentalism increases the alienation of its social bases, fragmenting class actors and political forces. The forces of succession within the 'parties of order' (to paraphrase Marx in the 18th Brumaire) are being set in a context quite unlike the one that gave birth to Kirchnerism in 2003. With an organic crisis in the making, the newly elected government of Mauricio Macri, candidate of the right-wing coalition *Cambiamos* (Let's Change) that was constituted for the 2015 elections, will deepen the tendencies to adjustment of the several disequilibria and limits facing the neodevelopmentalist project with the intent to recover the macroeconomic conditions for expansion within this project.⁸ This will include acceleration of the devaluation of the local currency, reduction of the fiscal deficit and increasing indebtedness in global markets. The new government will confront the working people while they are in a situation of political disarray, which will be one of Kirchnerism's most important heritages. Only if the people and their organizations can recover the ghost and experience of the 2001 popular uprising will we be in a condition to confront the future with the chance of making it our own.

NOTES

1. Carlos Menem was elected president in 1989. He was a prominent member of the Peronist movement, a political movement characterized for its labour origins but also its pragmatism. Menem was elected on a developmentalist platform but as soon as he took office he embraced a neoliberal programme. Most of the elected members of the Peronist movement at the time defended this right-wing swing.
2. *Piquetero* is the denomination of a way of popular struggle that implies the use of roadblocks (*piquetes*) as an important means of direct action, especially for movements of unemployed people (Dinerstein, 2002). *Piqueteros* are

- those people participating in such actions. Darío Santillán and Maximiliano Kosteki were members of the *Movimiento de Trabajadores Desocupa*³. These demands could be summed up in the expression *Trabajo, Dignidad y Cambio Social* ('Work, Dignity and Social Change', which at the time meant 'socialist' change) and *Que se vayan todos* ('They all must go', in the understanding that the political elite was to be ousted). *dos Anibal Verón* (movement of unemployed workers, MTD).
3. These demands could be summed up in the expression *Trabajo, Dignidad y Cambio Social* ('Work, Dignity and Social Change', which at the time meant 'socialist' change) and *Que se vayan todos* ('They all must go', in the understanding that the political elite was to be ousted).
 4. This does not mean that union leaders did not 'win' benefits for their constituency. However, their need for control over potential competitors within their unions led them to fight against more radical struggles.
 5. The ALCA project would deepen Argentina's economic dependency, as it would promote imports from the USA and enhance the production of primary products for exports. Its rejection, however, didn't prevent Argentina's economy from increasing its dependent pattern of association in the world market through growing asymmetric relations with Brazil and China, amongst other economic spaces.
 6. China still operates as a sub-imperialist power but it is increasingly becoming a neo-imperialist one.
 7. While in social terms, the political forces from the left have significant weight through territorial organizations, unions etc. (although not dominant presence), they still lack sufficient electoral influence. There is much to work out in terms of unity and the ability to gain majority support of the population. But, as the writer Andrés Rivera says, 'revolution is an eternal dream'.
 8. As we were closing this chapter, on 23 November 2015 the PRO candidate, Mauricio Macri, had won the presidency in the 2nd round against the Kirchnerist candidate Daniel Scioli, by a slim margin of 51.4 per cent against 48.6 per cent.

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A Global View

Edited by
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