

INCERTIDUMBRE, LA CONSTRUCCION DEL FUTURO, Y EL DIVORCIO ENTRE ESTADO Y CIUDADANOS EN AMERICA LATINA<sup>1</sup>

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**RESUMEN:** Esta ponencia argumenta que en gran medida el futuro se construye. Argumenta también que la globalización produce altos grados de incertidumbre, especialmente en países que han adoptado seriamente reformas neo-liberales.

Se muestra que uno de los mayores problemas de las reformas liberales de primera y segunda generación en América Latina, especialmente en la Argentina, es que la doctrina liberal dificulta la formación de una visión de futuro que, desde el estado, pueda facilitar la cohesión social y política. Por su propia naturaleza la tesis liberal y neo-liberal se focaliza en las leyes del mercado; pero los altibajos de los mercados crean incertidumbre en cuanto al futuro. Bajo estas circunstancias, es difícil crear un proyecto país con cierta visión de futuro y un grado creíble de certidumbre. Especialmente en los ojos del ciudadano común, estas leyes de competencia de mercado no proveen bases sólidas para la construcción de planes de futuro individual o social. La incertidumbre reina, y el futuro se desvanece en proyectos confusos o no existentes. Esto trae consigo: a) un creciente descreimiento en las instituciones de gobierno, en sus programas, y en la democracia en general; b) una incapacidad por parte del estado de construir un proyecto país creíble; c) un creciente divorcio entre los ciudadanos y el estado en el sentido. Los ciudadanos consideran que su obligación política para con el estado es mínima, consideran que no le deben nada al estado, y que el estado es incapaz de determinar para donde va el país. Finalmente, la ponencia propone que estas son las raíces, entre otras, del surgimiento de un nuevo neo-populismo latinoamericano que intenta llenar estos vacíos.

Palabras claves: globalización, futuro, democracia, neo-liberalismo, ciudadanía.

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## **Globalization and Uncertainty**

We live in an uncertain world. The bipolar system with its equilibrium is gone, drastic changes in state structures and political systems all over the world keep surprising observers and scholars, nuclear rearmament has become an unwelcome reality, new nations have renewed their claims for independence and sovereignty, alliances among countries seem rather unstable, and terrorism seems today more damaging and difficult to control than ever before. These, and other developments, make for a more unstable and uncertain global scenario. Of all of these factors, many have argued that terrorism and the war on terror, especially after September 11, 2001, is the variable contributing most to insecurity. When it comes to Latin America and other parts of the developing world, however, the visible impact of all these factors is not so clear and acquires a different intensity; in particular, the importance of terrorism as the main factor contributing to instability and insecurity is a dubious proposition. Other factors, typically associated with globalization, have provoked more uncertainty than terrorism.

At least in the Southern Cone, uncertainty goes back to the early 1990s and is directly related to the adoption of neoliberal policies as contained in the packages promoted by the International Monetary Fund (IMF), the World Bank, or the Inter American Development Bank. As we shall see, while the Southern Cone has a long history of uncertainty and while Latin Americans have traditionally declared pessimism about the short- and long-term future, the adoption of neoliberalism has provoked unprecedented higher levels of insecurity that, in turn, have negatively affected political legitimacy and obligation. Unlike in other parts of the world where increasing uncertainty, especially associated to security, is closely linked to the era that started in September 11, uncertainty in Latin America has long constituted part of the landscape of globalisation, with negative consequences for politics and democracy.

First, I submit that the adoption of neoliberalism in the late 1980s and early 1990s has substantially increased existing levels of uncertainty in the region with dreadful consequences for democracy. The citizens of Latin America had historically suffered from disquieting levels of insecurity about markets, economic development, inflation, unemployment, education, and political stability. This had traditionally drawn an unsure picture of their short- and long-term future. But when during the 1990s neoliberalism changed the rules of the economic and political game offering little in the way of a concrete recognizable plan for the future of country and nation, uncertainty became exasperatingly ubiquitous and permeated more than ever the lives of individuals and communities. Planning for the short- and long-term future turned out to be more and more difficult. Investments, savings, retirement plans and jobs became more volatile. In addition, state institutions appeared feebler than ever. Financial systems became more unreliable; in fact, they collapsed in 1998 in Brazil and in Argentina and Uruguay in 2001–2002. In short, most evidence from opinion polls indicates that since the early 1990s, and especially after the middle of that decade in the Southern Cone, Latin Americans have felt much more uncertain about their personal future and that of their countries than ever before.

What were the consequences of these rising levels of uncertainty? A second suggestion of this chapter is that, among other things, higher levels of uncertainty have caused a serious breakdown of political obligation and a growing divorce between the citizen and the state. Such a gap translates into a strong blow to democracy and political stability that has further decreased Latin Americans' scarce faith in their political institutions. Uncertainty has encouraged more corruption among the rulers, the strengthening of local mafias, increasing crime rates, and the progressive erosion of legitimacy and authority. In an atmosphere of political instability, many members of Congress, and at times even presidents, assuming that their days in office are counted have opted for short-term gains and corrupt practices.

This chapter focuses on Argentina and draws empirical evidence from the city of Buenos Aires during the 1980s, 1990s, and the first five years of the twenty-first century.<sup>2</sup> The reason that Argentina is an excellent case study is simple: Since the early 1990s, this country incarnated the most radical application of neoliberalism in the region, and provided the best example of a harmonious partnership between the IMF, the World Bank, and the national government.<sup>3</sup> It also represents an instance in which uncertainty affected the everyday life of most of the population and triggered a virulent grassroots reaction against neoliberalism as a doctrine. In addition, Argentina, as other countries in the Southern Cone, shared a wave of optimism about the future and democracy during the 1980s after the fall of the military regimes. Therefore, Argentina offers a good comparison between a pre-neoliberal period in which trust in the future of the country was stronger, and the neoliberal period in which this trust, I argue, was lost. As is the case with what other post-neoliberal periods in other countries seem to indicate, Argentina suggests that theories of globalization should factor in *uncertainty* as an independent variable to better account for the most drastic transformations that Latin American societies have experienced due to globalization.

### **The Southern Cone in the Post-September 11 World**

For those who emphasize terrorism as the main cause of rising uncertainty in the world, globalization appears divided into two very different phases: before and after September 11. The former would represent a more secure and certain world, the latter a period riddled by insecurity. It seems reasonable to argue that in the U.S., Britain, and most of Europe, or in the Middle East and parts of Africa, terrorism (and the war against terror, however conceived) topped all other factors of globalization as a creator of uncertainty. Latin America, and especially the Southern Cone, however, is perhaps the area where the terrorist threat and the war on terror have had a lesser impact. Citizens, at least in urban areas, do not see terrorism as a major factor creating insecurity. While personal security is a big worry especially in large urban centers, massive terrorist attacks like the ones experienced in the U.S., Britain, or Spain, are not.<sup>4</sup>

In Southern Cone countries, the war on terror has not triggered substantial changes in terms of domestic or international policy. And when one looks at national security and defence, the two areas that have changed the most in the US and Europe, the contrast with Latin American countries is striking. Security and defence have experienced slow and predictable transformations that do not respond to the war on terror.<sup>5</sup> Major changes in U.S. military expansion that characterized the post-September 11 period, have not affected the region in any substantive way either. The inclination of the U.S. to go “solo” in international affairs as part of the war on terror, for instance, comes as no news to Latin America.<sup>6</sup> Prior to the war on terror Latin American countries had long experienced the effects of a “solo” policy on the part of the superpower. The war for Afghanistan, the invasion of Iraq, and other U.S. military ventures provoked neither surprise nor fundamental changes in Latin America

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<sup>2</sup> An important source of data for this paper was a series of four identical surveys done in the city of Buenos Aires using random samples from electoral lists (voting is compulsory in Argentina). Samples consisted of 1,000 cases each. Polls were run in 2001, 2002, 2003, and 2004. I have also drawn data from a similar opinion poll (sample size 1,000) carried out in the city of Buenos Aires in June 2005. The same poll was conducted by phone in the city of Montevideo in 2005, and I use some of that data only to compare and contrast. Surveys were conducted by the Center for Public Opinion of the Universidad Abierta Interamericana, Buenos Aires, and the Center for Global Studies of the same university.

<sup>3</sup> For a detailed analysis of the role of the IMF in Argentina, see Michael Mussa, *Argentina y el FMI: Del triunfo a la tragedia* (Buenos Aires: Planeta, 2002).

<sup>4</sup> These showed in a number of opinion polls conducted by Raúl Aragon, Sabrina Merlo, Gonzalo Scretini, Veronica Vidal and Milagros Gaya in the cities of Buenos Aires and Montevideo. Interamerican University Call Center, September 2002 and July 2003. These were phone surveys based on samples of 1,000 cases in each city.

<sup>5</sup> In the aftermath of September 11, Latin America has made little changes in its conception of national security and military policy. See Jorge Battaglini, “El Cono Sur y La Concepcion de Seguridad Regional Luego de Septiembre 11,” paper presented at the conference “Security and Defence in 21<sup>st</sup> Century Latin America”, the National School of Defence, Buenos Aires, Argentina (July 15, 2005).

<sup>6</sup> For an analysis of this particular aspect of US foreign policy, see See Joseph Nye, *The Paradox of American Power: Why the World Only Superpower Can Go It Alone* (New York: Oxford University Press, 2002).

domestic, foreign, or military policy. The region tasted U.S. unilateralism long ago; for all the novelty and profuse writing that the unilateral policies of the U.S. have provoked, it is known that the propensity of the US to conduct an aggressive foreign policy along these lines can be tracked back to John Quincy Adams, the most influential American political strategist of the nineteenth century.<sup>7</sup>

#### The U.S. and the Southern Cone

The question of whether the US is becoming a new type of empire seems to be of relevance to Latin America.<sup>8</sup> Yet whether the U.S. is becoming a new type of empire does not seem to matter very much to the Southern Cone either, because the superpower's traditional approach to the area has changed little. New or old U.S. interventionism, aggressive or indifferent foreign policy, and/or imperialism (if we decide to label it that way) are well-known characteristics of the superpower's traditional foreign policy toward the region. During the last decade and a half, Southern Cone countries and the region in general have not experienced important shifts in U.S. foreign policy.<sup>9</sup> This is an important point simply because in the early 1990s a close commercial partnership with the U.S. rose hopes of prosperity and it was identified as the big change in the superpower's policy toward Latin America; after all, it was supposed to be a part of the neoliberal package of reform. Yet this has yet to become a reality. Rather, what we see is growing tensions and instability in the relations between Latin America and the U.S. as a result of the absence of a coherent (imperial or otherwise) policy. Rather than imperial policies the superpower has really no coherent, long-term policy toward the region; its commitment to democracy as the only blueprint of its policy toward Latin America has failed to create support. Tellingly, Latin Americans today perceive the U.S. as they have usually perceived the superpower in the past: they are often at a loss when asked about U.S. policies toward their countries except for historically-rooted perceptions of exploitation, mistrust, and dependency. A good measure of the strength of a particular foreign policy is whether that policy is reflected in the public opinion of the country or region to which it applies. As some have argued, public diplomacy matters not only within U.S. borders, but also abroad.<sup>10</sup> The U.S. in Latin America has failed miserably on this count.

Recent survey data suggest that at least in the Southern Cone the connection between U.S. foreign policy and the pursuit of democracy remains, as in the past, far from established. In recent surveys conducted in the capital cities of Buenos Aires, Montevideo and Santiago, an overwhelming majority of respondents did not in fact see such a connection.<sup>11</sup> Forty-four percent thought that if needed the U.S. would, again as in the past, use military force to achieve its goals. Only 12% of those interviewed thought that the promotion of democracy was part of the U.S. agenda in Latin America, but they were not really sure what that meant or how it would affect their own country. Moreover, of those who did make the connection, only a few (3%) said that the U.S. had actually done something to promote "imperfect democracy." They thought the impact of U.S. commitment to democracy on their country might likely be negative just because the U.S. was behind it.<sup>12</sup> It seems likely that similar surveys in other countries would render similar results. In sum, like its predecessors, the administrations of George W. Bush have offered scarce innovation in their Latin American foreign policy. Following a

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<sup>7</sup> See John Lewis Gaddis, *Surprise, Security, and the American Experience* (Cambridge: Harvard University Press, 2004), 15–19.

<sup>8</sup> On the debate of whether the U.S. is becoming a new empire, see Zbigniew Brzezinski, *The Choice: Global Domination or Global Leadership* (New York: Basic Books, 2004); Michael Hardt and Antonio Negri, *Empire* (Cambridge: Harvard University Press, 2001); Benjamin Barber, *Fear's Empire: Wars, Terrorism, and Democracy* (New York: Norton, 2003); Emmanuel Todd, *After the Empire* (New York: Columbia University Press, 2004); Chalmers Johnson, *The Sorrows of Empire* (New York: Metropolitan Books, 2004); Niall Ferguson, *Colossus: The Price of American Empire* (New York: Penguin Press, 2004); and Michael Mann, *Incoherent Empire* (New York: Verso, 2003).

<sup>9</sup> For details, see Fernando Lopez-Alves, "Cold War Paradoxes: Latin America and the US", paper presented at the conference "Latin America at the CrossRoad in the 21st Century", Instituto Universitario CLAEH, Montevideo, Uruguay, July 2005. Now under review.

<sup>10</sup> See Walter Laqueur, "Save Public Diplomacy: Broadcasting America's Message Matters," *Foreign Affairs* 73 (September/October 1994), 19–24.

<sup>11</sup> The average percentage of those who failed to see the connection between U.S. foreign policy and democracy in the three cities was 72%. Phone surveys conducted in March 2005 by the Centro de Estudios Globales of the Universidad Abierta Interamericana (Buenos Aires). Each poll had a sample size of 1,000.

<sup>12</sup> *Ibid.* Most (97%) of the 12% of respondents who mentioned the connection with democracy thought that the U.S. favors a particular type of democracy that creates some kind of dependency upon the single remaining superpower.

pattern established by previous administrations, the Bush White House has offered a few grandiose statements, pronounced warnings, and made scattered promises about financial assistance. Yet when the administration has taken action, that action has often been ill-timed and contradictory. For example, former Secretary of State Colin Powell in 2001 signed the Inter-American Democratic Charter in Lima; the following year, the Bush administration supported a coup d'état against Chavez, the democratically elected president of Venezuela. In Bolivia and El Salvador, U.S. ambassadors have taken sides in presidential elections. And as in the past, the U.S. has antagonized democratically-elected leaders if they happen to be anti-American. None of these initiatives surprise Latin Americans: if this is a new empire, it acts exactly the same as the old one of the Cold War era.

#### Asia and the Southern Cone

It is in fact not surprising that major post-September 11 developments have not impacted the Southern Cone. From the point of view of the region, much of its future still depends upon the same group of powerful countries that have dominated the political and economic scene almost since the end of World War II. The big revolution in commercial and international relations experienced by South America has nothing to do with the war on terror and more to do with the dynamics of a global process that started long before September 11th. This revolution is to a great extent related to the advent to the Left to power, changes in the relations among the countries involved in MERCOSUR, the position of different countries with regards to FTA, and last but not less important, the forceful commercial policy of China. Chinese interests in the area, and China's aggressive and effective diplomacy have altered these countries' foreign policy initiatives. While Chile, Brazil, Uruguay and Argentina had long courted China, South Korea, and Japan, as possible commercial partners, since 2002 Argentina, Uruguay, Chile, Bolivia, Peru, and Brazil have been able to start important accords with China that have transformed and will continue to change, for better or for worse, the prospects of the region. Indeed, China's ambitions with respect to Taiwan and its economic expansion beyond Asia and Europe, especially into Africa and Latin America, is one of the great changes brought about by globalization.<sup>13</sup> China's growing need for energy has driven the Chinese to consolidate agreements with areas that had not been a priority in the past, especially Africa and Latin America.<sup>14</sup> Especially since July 2004, MERCOSUR countries started to strengthen agreements with China that, if they were to consolidate, will very likely shift Atlantic-base trade to the Pacific.<sup>15</sup> Future Chinese influence in South America can be compared to nineteenth-century British control of trade under the so-called informal empire.<sup>16</sup> Even if things do not change much, in about five years China will replace the United States as South America's major trading partner in primary commodities, especially in mining. Chile's copper is already in Chinese hands (China has now displaced the United States as the leading market for Chilean exports). In Brazil, bauxite and iron ore and zinc are part of an expanding Chinese investment. Brazilian and Argentinean soybeans are included in a trading package that also contains agreements on the exploitation of iron, precious metals, and steel. Therefore, Chinese industrial expansion is cementing a rapidly developing affiliation with Asia.<sup>17</sup> According to a recent testimony before a U.S.

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<sup>13</sup> As is well known, Chinese growth is staggering. China is now the world's third largest trading economy, following the United States and Germany. It is the sixth largest economy in the world and within a relatively short period of time will overtake the United Kingdom and France to place fourth. In 2003, China alone accounted for one-fifth of global trade expansion. It is this extraordinary economic growth and its increasing need for energy sources that has led Beijing to focus on Latin America.

<sup>14</sup> China has been aggressively forging ties with most of Africa's 54 countries. Energy resources have been of paramount concern but agreements also include political and military ties with more than a dozen African nations, Chinese firms are searching for oil and gas and in 2004 China spent almost \$10 billion on African oil, accounting for nearly one-third of its total crude import.

<sup>15</sup> Luis Giglione, "El MERCOSUR y China: 2000-2004," paper presented at the conference *China y America Latina en el Siglo 21*, Universidad Abierta Interamericana, Buenos Aires (September 2004). It is worth mentioning that a Chinese delegation attended this conference during its 2004 visit to Argentina.

<sup>16</sup> See Fernando López-Alves, "Chinese Expansion and the New Partnership with Latin America," paper presented at the conference *China y America Latina en el Siglo 21* Buenos Aires, Argentina (September 2004). See also Fernando López-Alves, "Cold War Paradoxes: Latin America and the U.S.," *International Affairs*, forthcoming.

<sup>17</sup> China obtains needed minerals and other natural resources in addition to the recognition of Market Economic Status extended by Latin American governments (Argentina, Brazil, Chile and Peru).

congressional subcommittee, “Hu Jintao’s vision of greater economic, financial, trade, and technology ties was precisely the sort of engagement that Latin America has long wanted from Washington.”<sup>18</sup>

#### Globalization and More Uncertainty

The prospects of a new partnership with Asia, in addition to important changes in politics and government, are no doubt important developments associated with globalization that are new to the Southern Cone. Uncertainty is not. Again, in the region, uncertainty stems from factors that are associated with the general process of globalization. Globalization has created uncertainty about how countries would fare in a more competitive world, about the future of welfare policies and social security, about a less-orderly or at least less familiar international and commercial environment, and about different rules of engagement, diplomacy, and war. Globalization changed the rules of the established economic and political game by imposing free market policies and new rules for international competition. It diminished—at least in its first phases—the power of the state, imposed new cultural parameters, and concentrated power in fewer hands. Yet it offered little in terms of clear new rules of the game. In fact, to the bulk of the population the new world seemed one in which there were no guarantees or protection: Individuals were left with the impression that an abstract concept completely out of their control (*the market*) could run their lives. Survival started to depend on knowing something that for the common citizen remained a mystery: the hidden designs the market had in store for individuals, their income, the economy, and the country in general. *The market* was not a concrete visible actor, neither was it incarnated in any particular leader or institution. People could protest specific policies and demonstrate against their leaders, but could not hope to affect *the market*. All this contributed to a feeling of insecurity about the short- and long-term future.

Thus, while globalization created wonderful new opportunities, at the same time it has contribute to create societies that look at a future with less hope and greater distrust.<sup>19</sup> The uncertainty affecting the developed world as a consequence of terrorism and the uncertainty that Latin America faces are different: in the former, there is still optimism about the future; in the latter, the future keeps looking unpredictable and full of unpleasant surprises. Moreover, despite the brutality and frequency of terrorist attacks, in more developed societies that, by the way, have not fully adopted the neoliberal package as it was formulated by international financial organizations in the late 1980s, the uncertainty created by terrorism appears shorter-lived. At least if one looks at the behaviour of the stock market and the popular support that most of these governments have been able to secure from their constituencies, levels of uncertainty appear to have been much less damaging. Why? My suggestion is that, among the many factors that differentiate both situations, the construction of the future, that is, the way most people perceived that future to be, is a very important variable that differentiates Latin America from the core countries. Unlike in Latin America, in most of the developed world the future seems to hold similar promises for the short and long term than it did prior to September 11.

Rising levels of uncertainty in Latin America have provoked outcomes unforeseen by the enthusiastic neoliberals who, in the late 1980s and early 1990s, pushed for free markets and state reform. Some outcomes were easy to predict: the weakening of state authority, the shrinking of social programs, the fall of real wages for the lower earners in the economy, the weakening of reliable retirement systems and pensions, and growing unemployment in the face of the decline of national industry. These remain today perhaps the most damaging outcomes for the social and political fiber of these nations.<sup>20</sup> Other damaging outcomes, however, were unforeseen: market forces did not allocate resources in the expected way, the image of politicians under neoliberal democracy deteriorated deeper and faster than ever expected, and the gap between government and the governed keeps widening with damaging consequences for political obligation, legitimacy, and the performance of citizen duties

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<sup>18</sup> See Cynthia A. Watson, testimony to the Subcommittee on the Western Hemisphere of the House Committee on Foreign Affairs (April 6, 2005).

<sup>19</sup> For a full discussion of Southern Cone countries as societies with no hope, see Fernando López-Alves, *Sociedades Sin Destino: America Latina Tiene Lo Que Se Merece?* (Buenos Aires; Madrid: Taurus, 2000).

<sup>20</sup> *Ibid.*, 4–6.

toward the state, Thus the silent—and not so silent—citizen rebellion that we see in Argentina, where citizens refuse to comply with government demands. As we shall see in detail below, tax evasion, disbelief in democracy and the political elite, refusal to meet the terms of basic regulations and bills passed by Congress, and, especially people's belief that they owe nothing to the state and in many cases that the state is their enemy, are all features of an alarming divorce between government and citizen that makes it increasingly difficult for the government to govern and for citizens to feel they are part of a democracy.<sup>21</sup> The roots of this discontent are to be found in the framework of insecurity created by liberal reform in which the old rules of the game were rendered obsolete but the new ones are still not clear, except for a growing Darwinism and disbelief in social justice.

### **Mistrust in Neoliberal Argentina**

To what extent did Argentina adopt neoliberalism? One could perhaps debate whether neoliberal economic policies were enforced with the same vigour during the two administrations of President Carlos Saúl Menem (1989–1999), and the following presidencies of Fernando de la Rúa (1999–2001) and Eduardo Duhalde (2001–2003). One could also debate whether the neoliberal package was applied with the same scope in all sectors of the economy and public institutions, and whether the current administration of President Néstor Kirchner (2003– ) is moving away from liberalism toward a more protectionist economic policy. But there can be no doubt that during the 1990s and early 2000s, the government, the IMF, and at times the World Bank, collaborated closely in transforming the country into a world-class example of neoliberalism. Indeed, for more than 10 years the IMF was directly involved in planning, implementing, and supervising neoliberal policies in Argentina.<sup>22</sup> In contrast, it provided assistance but did not partner with the government in policy implementation in Mexico in 1995, or in Indonesia, South Korea or Brazil from 1997 to 1999. Thus, the Argentine adoption of neoliberalism and the resulting crisis of the model cannot be interpreted only as the failure of corrupt and inefficient governments, but also as a test of IMF policy itself.

The problems that emerged did not simply stem from maladjustments to IMF requirements. Argentina, in fact, fully adjusted. Rather, recession and social crisis resulted from a close partnership and coordinated action of the IMF and the Argentine government. Under IMF directives, less than three years after the first steps toward liberalization were taken during the first Menem administration, Argentina became the economy hosting the highest foreign investment and the largest number of foreign-owned firms in the whole of Latin America. In addition, the pace of reform was the fastest, even compared to Chile, let alone Uruguay or Brazil. Only Turkey advanced as fast. In addition, unlike any other case, the IMF controlled some of the day-to-day implementation of neoliberal policies. To the IMF standard package, however, the Argentine government contributed some innovations. For instance, it implemented a number of bold liberalizing measures in monetary and exchange policy that the IMF first opposed and later felt compelled to support. A major such measure was the creation in the early 1990s of the *Plan de Convertibilidad* that pegged the peso to the dollar. The plan was motivated more by political than economic reasons. Yet when *convertibilidad* survived the so-called tequila crisis in Mexico in the mid-1990s, the IMF (and those who had opposed the plan within Argentina) started to believe that *convertibilidad* was going to work.

We can conclude that Argentina became a testing ground for IMF policies and for its possible partnership with national governments in implementing policy. It is only fair to point out that the IMF did not participate in a number of crucial issues, and that it overlooked some problematic aspects of governance in Argentina. For instance, the IMF could not fully determine whether tax revenues were spent wisely or adequately evaluate whether tax evasion—and the inadequacy of tax collection in the provinces—would end up jeopardizing the whole neoliberal strategy. The IMF also could do little

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<sup>21</sup> Regarding tax evasion in Argentina during the 1990s, see James E. Mahon, Jr. and Javier Corrales, "Pegged for Failure?: Argentina's Crisis," *Current History* (Feb. 2002).

<sup>22</sup> See Mussa (2002), *op. cit.* 12–14.

about the strong political clientelism that permeated the whole taxation system. Yet, deviations from the “ideal model” and imperfections aside, Argentina still stood as one of the classic cases of neoliberalism, and as an example of close partnership in policy implementation between a government and the IMF.

Did the country reap any economic benefit from neoliberalism? Some aspects of the policy were no doubt beneficial. Imported goods became openly available on the Argentine market, contact with the outside world increased, and some industries became more competitive. Moreover, the orthodox application of neoliberal strategy fostered economic growth for almost a decade after its implementation. During the period from 1989 to 1998, the country experienced significant growth in comparison with its former performance. Between 1993 and 1998, the economy grew 4.4% annually. This was the best that the economy had done since the early 1960s. By the end of 1998 when the privatization of a number of state-owned industries and services was completed, however, a very important source of state revenue disappeared: Simply, the state could no longer profit from the selling of public companies. At that point, unable to reform the tax system or attract more foreign investment, and with withering resources, the government could no longer thwart a deep financial crisis. Among other things, this triggered a deep recession that continued unabashed until December 2002, when a slight recovery in the export sector was noticeable.

By 2006 such recovery faces serious obstacles, including an official unemployment figure of almost 20%. By 2005, we had a similar figure and an additional 21% of working people were under-employed or working part-time. This has hardly changed by the time of this writing in mid 2006. By 2002, the Argentine media were comparing the situation to the one facing President Herbert Hoover in the U.S. in 1929.<sup>23</sup> From October 2001 to May 2003, more than five million middle-class Argentines fell under the poverty line. Taking the country as a whole, 53% of the urban population today is poor, while the situation in rural areas is much worse. In a country of 36.2 million inhabitants, this means that approximately 19 million are poor. Seventy percent of children live at or below the poverty level. Moreover, about 22% of the population cannot provide for its basic needs.<sup>24</sup> The ephemeral success and failure of neoliberalism to create jobs and erase inequality can be seen in Figure 1.

**Figure 1 about here.**

### **Poverty and Unemployment in Greater Buenos Aires, 1988–2002<sup>25</sup>**

Figure 1 indicates some of the reasons for the decline in popularity of the neoliberal package. While at the onset of the 1990s most governments struggled to look “modern” and tried to march to the global neoliberal tune, by 2005 political elites associated with the orthodox application of the neoliberal doctrine faced growing discredit.

One thing seems clear today: Soon after the initial euphoria of liberalization, democracies in the area weakened and governments seemed unable to retain popular support. Mistrust is a terrible problem in Argentina. While since 1984 trust in public institutions has decreased, after the mid-1990s, trust has reached the lowest levels ever. For instance, in 1984, 59% of Argentines believed in the country’s justice system; in 2002, only 10% did.<sup>26</sup>

Before globalization, or at least before the initiation of what literature has called the second wave of globalization, Argentines had already feared the future and were weary of instability. During the 1970s, a decade during which Argentina enjoyed only three years of democracy, the main source of uncertainty was, understandably, political and institutional. During the 1980s, it was inflation and hyperinflation that reduced people’s capacity to plan for the future and added to uncertainty. During

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<sup>23</sup> *El Clarin* (July 28, 2002), 5–6.

<sup>24</sup> See *La Nación* (Aug. 22, 2002), 1.

<sup>25</sup> Carlos Vilas, “Pobreza, Desigualdad y Sumentabilidad Democratica: El Ciclo Corto de la Crisis Argentina,” unpublished manuscript, Secretaria de Seguridad y Acción Social (July 2003).

<sup>26</sup> See Marita Carballo, *op. cit.* 91.

the early 1990s, the country enjoyed a relative period of stability under democratic governments and a fairly good economic recovery. Shortly after, however, globalization added new sources of uncertainty and instability. In other words, globalization could not resolve the old sources of uncertainty and added others instead; thus, since the second half of the 1990s, Argentines have experienced the highest levels of uncertainty in recent decades. This period has been characterized by institutional and political unpredictability, alarming and unprecedented unemployment rates in comparison with the last 20 years, widespread social insecurity, political chaos, increasing confrontation between citizens and government, and the perception that institutions are powerless to protect citizens from the negative effects of the market. Indeed, the most trusted institution in Argentina is the Church, which enjoys an average of about 50% of the population's trust since 1984. The negative effects of neoliberalism, once thought short-lived, look now permanent. At the same time, for the bulk of the population the long-term benefits remain elusive. One could argue that trust in public institutions was not really the main target of first and second generation neoliberal reform: their major goal was to inspire trust in private capital. Yet this is far from being accomplished either. Already in the early 1990s Argentines' trust in the private sector started to decline: from 24% in 1991 to 19% in 2001, to 9% in 2002 after the crisis of the financial system.<sup>27</sup> Mistrust did not abate in the ensuing years: as of 2003, only 9% of citizens trusted business.

The public's mistrust in politicians is stunning. In 2001, 87% of Argentines did not feel represented by any political party, and 93% did not trust political parties in general. Asked about the evils afflicting their country, 70% of Argentines thought that the major evil was politics.<sup>28</sup> By 2005, these opinions about politics and politicians had not substantially changed. At least in the city of Buenos Aires, 76% of those interviewed do not feel represented by any party, 92% do not trust parties in general, and 74% believe that politics is the worst problem affecting the country. Among the youth, surveys find that growing uncertainty about the future continues to undermine the role of the political parties and the government. Only 47% of the youth in Buenos Aires (ages 18 to 29 years) still believe that the future holds some promise for them. Regarding the political system and the trust that it inspires, we continue to have shocking figures: 80% of these same youth believe that the performance of political parties is bad or very bad, and 65% believe that parties have no contribution to make to the wellbeing of their country.<sup>29</sup> Of those interviewed in this survey, 69% believed that they would never feel close to any political party at all. In May 2006, a survey in the city of Buenos Aires found that 64% of residents do not feel that politicians can represent them at all and that 46% do not trust any person in public office.<sup>30</sup> One can conclude that a very important variable in understanding these dismaying results lies not only with the incapacity of politicians and the performance of public institutions, but with something that is missing in neoliberalism and that has helped enlarge the gap between citizen and the state: *a guiding vision for the future*.

### **Constructing An Uncertain Future**

The future is constructed in the present. The notion that societies forge their own collective vision of the future should come as no surprise. I suggest that this applies not only to authoritarian regimes but also to democracies.<sup>31</sup> A common project for the future contributes to collaboration; in democracies, there are obvious advantages when both ruling elites and grassroots organizations participate in the construction of a project for country and nation. The first Menem administration (1989–1995) was quite aware of this basic principle. It tried to articulated a sort of public discourse

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<sup>27</sup> *Ibid.*

<sup>28</sup> World Values Survey–TNS Gallup Argentina, 1984–2002.

<sup>29</sup> Survey by Ipsos Mora y Araujo for the Odiseo Foundation. The sample included 1,200 persons between the ages of 18 and 29. See also the newspaper *La Nacion* (July 24, 2005), 11–12.

<sup>30</sup> Center for Public Opinion, UAI, phone interviews. 1000 cases. May 20 2006.

<sup>31</sup> See Lewis Siegel Baum and Andrei Sokolov, *Stalinism as a Way of Life: A Narrative in Documents* (Yale University Press, 2001); Jeffrey Brooks, *Thank You Comrade Stalin! Soviet Public Culture from Revolution to Cold War* (Princeton: Princeton University Press, 2001).

about the future to rally popular support for reform but, at the end, this project remained inarticulate and devoid of detail. It could be synthesized in just one line: “Argentina was on its way to find a place in the first world because of increasing foreign investment, privatization, and the parity with the dollar.”<sup>32</sup> During his second administration (1995–1999), however, Menem and his team seemed rather dubious as to the future of Argentina. It became apparent that the state had trouble delivering a discourse that could depict the future of the country for the short- and long-run. Public discourse remained grandiose, but confusing in terms of what Argentines could expect from the near future.<sup>33</sup> Unlike prior expectations, the country did not seem at that time able to achieve the promised First World status. Worse still, the gains of the neoliberal reforms of the early 1990s seemed to run out fast together with state revenues and public spending. Dissolution followed. The government created further confusion by insisting that the country needed to “catch up.” Catch up with what and how? My suggestion is that, at least in the case of Argentina, neoliberalism as a doctrine seemed unable to offer policymakers the tools to articulate a promising public discourse about the future —except for its insistence on efficiency and free-market economics.

The following neoliberal presidency of Fernando de la Rúa (1999–2001) did even less in terms of spelling out a national project, a road to the future. Indeed, the President and his team remained suspiciously silent about their plans for the future of Argentina, including the role the country should play in a complex and changing international community. Of great importance, plans for regional integration especially in the context of MERCOSUR during the de la Rúa Administration seemed almost abandoned. In sum, beyond some economic forecasts and vague notions about the insertion of Latin America into a changing and more demanding global economy, neoliberal governments said almost nothing about the collective future awaiting this society as a result of reform.

What about MERCOSUR? Did not it represent a liberal promise for the future? It could certainly be argued that in the context of MERCOSUR the promise of a better future for Argentina and its partners was—and still is—implicit in the word “integration.” Can we assume that integration, then, was the neoliberal vision? Perhaps. But the notion of integration remains insufficient as a picture of the near and long term future. First, politicians keep giving mixed signs about integration. For most of them, integration is good as long as it does not threaten their control over taxes within their national territory and, especially, over custom duties. Second, government officials have remarked over and over that MERCOSUR is not the European Union, that is, it is not about the establishment of regional institutions of government and the creation of cultural bonds among members.<sup>34</sup> Third, although the last elections in Uruguay, Argentina and Brazil were followed by further talk about strengthening MERCOSUR and opposing external influence in the Southern Cone, there has been no intention to create a public (or even government) consciousness regarding a shared future. To the common citizen, the notion of integration as a vision of the future stands, at best, vague and contradictory. The latest rift between Uruguay and Argentina regarding the installation of cellulose processing plants up north in the Uruguay River and that has resulted in a diplomatic crises separating two Leftist governments and in the boycott of Argentine products in Uruguay, is perhaps one of the most touchy crises between the two nations for more than 50 years; this has made the idea of a shared future even more fictional.

Was democracy enough in each of the countries involved in MERCOSUR to create some degree of certainty about the future? Not in the context of neoliberalism. While it is true that past experiences with military regimes and authoritarianism work in favour of democracy, widespread mistrust in institutions and politics do not. It is telling that while in Canada, the U.S., or Switzerland two out of three people are satisfied with their political systems, by 1999 in Argentina (before, indeed,

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<sup>32</sup> See Marcelo Camusso, “El discurso publico en la Argentina del neoliberalismo” paper presented at the Universidad Catolica Argentina, Buenos Aires (April 2003), 14.

<sup>33</sup> *Ibid.*, 16–17.

<sup>34</sup> At a conference on globalization, for instance, former Uruguayan president Luis Alberto Lacalle (1990–1995), one of the crafters of MERCOSUR and still active in MERCOSUR politics today, expressed that the purpose of MERCOSUR was never to create real political and social integration. Its main objective remains “exclusively the creation of mechanisms that would facilitate and encourage trade among members.” The conference was held at the Hotel La Capilla, Punta del Este, Uruguay (May 17, 2002).

the 2001 financial crisis) 69% were not. In the city of Buenos Aires, 80% were unsatisfied.<sup>35</sup> After the 2001 financial crisis, 81% of Argentines nationwide were dissatisfied with their political system. So, even if 85% of the population still believes that democracy is preferable to any other kind of government, the dissatisfaction with the democracy under which they live, is shocking.

Therefore, during the 1990s, but especially during the second half of that decade and the early years of the 21<sup>st</sup> century, growing pessimism about the personal future of citizens and about the collective future of the country overcame the optimism of the 1980s. The adoption of neoliberalism turned Argentines' newly-found optimism into pessimism.<sup>36</sup> We find pessimistic attitudes toward the power of government, its capacity to lead, and the future of the country. Tellingly, what I have called elsewhere "neoliberal pessimism" has undermined a long-standing notion of Argentine culture: the notion of "progress."<sup>37</sup> Not surprisingly, in a society of immigrants such as Argentina, the concept of progress had deep and historical roots in the popular imaginary. However, when in 2002 Argentines were asked whether they used the word "progress" in day-to-day conversations, and how often they used it in relation to their thoughts about the future, 62% of those interviewed answered that they seldom used the term, and only 51% said that they used it when talking about the future. When asked whether they thought that their parents or past generations used the word more frequently than they did, 85% thought that prior generations used the word much more.<sup>38</sup>

### **The Fracture between the Citizen and the State**

Uncertainty about the future and the failure of the economic policies of neoliberalism provoked intense discontent that translated into collective action. From January to August 2002 alone, Argentina experienced an average of 20 protest demonstrations per day, with a total of 12,766 during that period.<sup>39</sup> Somewhat resembling scenes from the French Revolution, neighbors assembled and took action, erupting into provincial government headquarters while the legislature was in session. In many cases, protestors expelled the legislators and took over the decision-making process themselves. Some groups made decisions and sent them, signed and dated, to the central government. The so-called *piqueterismo*, expression first adopted in 1997, became a regular and accepted form of channelling discontent and expressing popular demands. *Piqueteros* are those who block roads and the main arteries leading in and out of the urban centres, or simply block roads within the financial district or other crucial areas of the urban environment. The protestors are organized in several chapters and groups at the national and regional levels. While at the beginning the *piquetero* movement was divorced from political parties and government, almost immediately parties in the opposition started to penetrate the *piquetero* organization, especially the Peronist party as part of its policy to undermine the government of President de la Rúa.

When President Kirchner, a Peronist, took office in May 2003 and started to push a pseudo-populist agenda, many thought that *piqueterismo* was over. Yet a number of *piquetero* organizations soon become a precious source of support for his administration (support that the presidency dutifully finances or sustains by granting political favours and prerogatives). Meanwhile, other *piquetero* organizations became supporters of the opposition to Kirchner within his own party, the Peronist party. In addition, other similar grass-roots organizations have evolved into social and political actors that remain independent from parties and government and acquired the status of active pressure

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<sup>35</sup> Marita Carballo, *op. cit.* 79–81.

<sup>36</sup> For a very interesting discussion on the concept of "pessimism" and its history in European philosophical thought, see Joshua Foa Dienstag, "Nietzsche's Dionysian Pessimism," *American Political Science Review* 95 (Dec. 2001), 923–37. For a discussion on pessimism in Argentina and Uruguay during the 1990s and its political consequences, see Fernando López-Alves, "Neo-Liberal Pessimism in Argentina: 1990–2002," paper presented at the Center of International Studies, Princeton University, May 2002. See also the same paper in its Spanish version in *Foro Abierto*, 1 (3), Buenos Aires (Dec. 2003).

<sup>37</sup> Fernando López-Alves, "Neo-Liberal Pessimism," *op. cit.* 7.

<sup>38</sup> Survey by the Public Opinion Center of the Universidad Abierta Interamericana, Buenos Aires, 2002. In 2004, the same survey obtained roughly the same results.

<sup>39</sup> See *La Nación* (Aug. 22, 2002), 8–9.

groups. All of them have tried to gain mass support and most of them have organized assistant programs for the unemployed, such as shelters and food cooperatives. From January to December 2002, these groups, competing for social support, trying to demonstrate their power, or acting as proxies for diverse political interests associated with government, staged a total of 3,490 *piquetes*, which—although very significant—was lower than their rate of activity during August 2001.<sup>40</sup> In the following years the number of demonstrations has remained steady at an average of 2,300 per year.<sup>41</sup>

As a result, Argentina is one of the most highly mobilized societies in the world and Buenos Aires perhaps the city home to most demonstrations in the continent. Such high level of mobilization in urban areas, particularly in Buenos Aires but also in some cities in the provinces, constitutes an important factor that adds to the growing divorce between the state and its citizens. In large sectors of the population there has been increasing and widespread discontent about the activities of *piqueterismo* and the constant disruption of the urban environment. Such unrestricted mobilization and the destruction of public facilities has also contributed to cement the notion that the government is either too inept or too corrupt to impose order. High and visible levels of mobilization and the failure of government to find a solution to this and other problems contribute to further uncertainty in a disrupted city. Yet the roots of this divorce go deeper than these demonstrations and the incapacity of government to find a resolution to the *piquetero* problem. Both high levels of mobilization and the widening gap between the bulk of the population and the state represent one of the unexpected outcomes of neo liberal policies and globalization. Uncertainty about employment, the future of the country, and the personal prospects of the bulk of the population created this scenario in the first place. In short, liberal reform, with its emphasis on market wisdom, budget cuts, and the selling of state enterprises to foreign corporations, provoked increasing degrees of alienation between citizens and the state. It has also brought about an alarming weakening of political obligation and social trust.

### **Political Obligation and Citizen Duties**

Argentines have good reasons to feel alienated from the state and to distrust the political elite. Until early 2003, the government spent \$20 billion per year on a political class totalling 9,242 members. This excluded the Executive. It included senators, representatives, provincial governors and vice governors. This made the Argentine political elite one of the most expensive on the continent. The National Congress in recent years has been allocated an annual budget of about \$336 million, which amounted to nearly 1% of the national budget.<sup>42</sup> After Kirchner came to office, the Congressional budget suffered some reductions and cuts, but it is still spectacular. How is this money spent? It is telling that only 30% of the Congress's budget is devoted to maintain the Library of Congress, the Congress bureaucracy (permanent and temporary) and services. The rest (70%) goes to salaries and other benefits, such as "special expenses"; these include travelling, cell phone bills, per diem expenses, and "costs of representation".

Before the December 2001 crisis, a widespread public feeling that the country was going astray or had no direction whatsoever was already eroding the government's legitimacy and weakening political obligation among citizens. The financial crisis of the end of that year added, of course, to uncertainty and the feeling that the country was heading in the wrong direction, whatever that direction was. The state was viewed more as an enemy than as a friend. In July 2001, a survey in the city of Buenos Aires found that most respondents believed that they did not owe anything to the state. Most of the respondents also refused to comply with their obligations toward government (see Table 2A and 2B). After the resignation of President de la Rúa and the election of President Kirchner, which seemed to have provided a new hope for the country, many expected a change in this negative attitude toward government. Yet these attitudes persisted.

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<sup>40</sup> *El Clarín* (June 23, 2002), 1.

<sup>41</sup> Interview with Raúl Aragon, Director for the Center for Public Opinion, Universidad Abierta Interamericana, July 2005.

<sup>42</sup> The House of Deputies absorbed \$195 million of that budget, with the rest going to the Senate and the Executive. See *La Nación* (Feb. 26, 2002), 12–13. See also Guillermo Lanfrancon, *Yo Pago, Tu Pagas, Ellos Gastan* (Buenos Aires: Editorial Planeta, 2001).

In 2002, 2003, and 2004, the same questions were repeated in identical surveys and the answers obtained were similar. When asked whether they felt that they owed anything to the state, an overwhelming majority of interviewees (90% in 2002, 82% in 2003, and 83% in 2004) said “no.” When asked, however, if they were aware of their obligations toward the state, 89% in 2002 answered that they were. Similar figures apply to 2003 (87%) and 2004 (85%).<sup>43</sup>

In our 2002 survey, immediately after the December 2001 crisis, we obtained the highest percentages of negative responses to the question of whether respondents felt that they owe anything to the state; yet it became clear in subsequent surveys that the divorce between citizen and state preceded the crisis and continued strongly afterward. Therefore, we can conclude that the 2001 crisis and the fall of the De la Rúa government did affect public opinion. But we can also conclude that the public’s antagonistic attitude toward the state and the erosion of political obligation that we detected preceded it (the very fall of the De la Rúa government speaks of prior discontent) and continued long after the financial crisis was over. This is shown in Tables 2A and 2B. We can also conclude that there is no indication that, at least in the city of Buenos Aires, citizens felt any different toward the state and their obligations toward government after President Kirchner took office in 2003.

### **Tables 2A and 2B about here.**

In other words, this is a political system in which respondents feel highly antagonistic towards the state. It is also a system in which the public is aware of what their obligations toward the state are, but choose not to honor them. If the future of democracy and of the state depends upon the degree of legitimacy of government and the degree of respect that citizens may have regarding the fulfilment of basic civic duties, then democracy in Argentina may be at peril.

### **The weakness of the State and an Uncertain Future**

One important indicator of whether people believe the state is in control of national affairs lies in how they perceive the strength of foreign influences in domestic policy. In Argentina, people believe that foreign influences are stronger than the state in shaping the future of the country. People in the city of Buenos Aires perceive that the future of Argentina is decided elsewhere, outside the geographical and institutional borders of its territory. The belief that international organizations such as the World Bank or the IMF—rather than the state—are in control of economic and political decisions can be taken as a powerful indicator that the public view the state as weak and therefore unable to fulfil its social contract. This can be seen in Figures 3A, B, C, and D.

#### **(Figures 3A, 3B, 3C and 3D about here)**

It can be argued that these beliefs, at least in the city of Buenos Aires, by far the most important commercial, economic, political, and financial hub of the country, increase people’s sense of uncertainty and the feeling that they are not in control of their own affairs that we detect in other surveys. It also speaks of a sharp decline in government’s prestige and confirms the further weakening in political obligation toward the state.

As part of the same survey, we asked “Who do you think makes the decisions that affect the present and future of your country?” The questionnaire offered the following choices: a) Other Country; b) Other Countries; c) The National Government; d) International Organizations (Banks, etc); and e) Citizens. In 2001, even before the crisis occurred in December, only 42% of respondents chose the national government as the organization responsible for the decisions that shaped the country. Thirty-four percent (34%) thought that the major decisions affecting the country were made outside Argentina, by international organizations such as the World Bank or IMF. And only 11% believed that citizens made decisions that mattered for the country at all. The percentage of those who thought that external influences were strongest increased in the following years.

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<sup>43</sup> Surveys conducted in 2001, 2002, 2003, and 2004 by the Public Opinion Center of the Universidad Abierta Interamericana, Buenos Aires, based on samples of 1,000 each.

As Figure 3 shows, from 2001 to 2004, only a few respondents believed that foreign countries (or a country) possessed more power than the Argentine state in the making of public policy and economic planning. Yet when one lumps these responses together with those who believed that foreign institutions made the decisions that matter, the percentage of respondents who believe that the state wields little or no power regarding the most important decision affecting the future of Argentina reaches an almost stunning 50% or higher. Tellingly, while specific foreign countries are not targeted as the locus of decision making regarding national policies, international financial institutions are. Changes in the political elite of the country and even institutional reform in some public enterprises and bureaucracies did not seem to affect the sturdy opinion of those who thought that the real power lay outside the national territory and in the hands of strangers. For example, the results of these four identical surveys indicate that the advent of a new government under Néstor Kirchner and the reforms he instituted did not restore the public's faith in the state's ability to resolve the pressing issues affecting the nation, especially its future. Deep-rooted mistrust in government seems to be ubiquitous in the populace.

It makes sense to suggest that globalization and more specifically neoliberal reforms have affected the collective imagery, at least of the city and the Province of Buenos Aires, by creating the idea that the country's future and that of its people were determined by external forces that the state could not oppose, let alone control. And the intellectual and political influence of the city of Buenos Aires over the rest of the country is not mild. If government was powerless, citizens were even more so when forced to face powerful international influences. The country and the nation appear to have lost control over its own future. Again, we can conclude that this is a democracy in which citizens feel that their present and future are uncertain.

An interesting problem is that of finding the culprits. Whom did the inhabitants of Buenos Aires blame for social, political, and financial crisis? Whom do they blame for an unstable future? While the question of who makes the decisions that matter is one of who has the power, the question of who is to be blamed is a question of responsibility and accountability. In the same survey, we asked whether Argentina was a victim of international circumstances or whether it had "gotten what it deserved." To our surprise, given that the majority felt that the country was powerless when faced with international powerhouses, respondents believed that the responsibility for this state of affairs lay with the local elites and even with the people of Argentina. Indeed, a large majority thought that the country had gotten what it deserved. Therefore, government and citizens seem unable to successfully oppose international forces that determine the course of the future, but decision made by local actors were perceived as responsible for this situation.

Table 4 compares the results for 2001, 2002, 2003, and 2004.

#### **Table 4 about here.**

While at first glance the results shown in Table 4 seem at odds with the results obtained in the questions discussed above they have much in common. Simply, they reflect people's beliefs that the state is to be blamed for the country's social and economic decline and for the empowerment of external influences. We can interpret that the country "got what it deserved" because the state was not able to deal with social issues in an adequate manner and because it had become weaker regarding international pressure. Thus, Table 4 suggests that respondents believe that the responsibility lies with the national government but also with those who elected it to office. One is tempted to speculate whether in the late 1960s and 1970s, at the peak of popular discontent, in the midst of the Cold War, and the advent of authoritarian military regimes in the Southern Cone, people would have given similar responses to this survey. Overall, popular sentiment at the time blamed the U.S. and the clash between Communism and Capitalism incarnated in the U.S. and the Soviet Union for about everything that went wrong in Argentina or in the region in general. External forces were indeed central to the popular imaginary then, but the culprits, one could imagine, would have had been of a different nature:

countries, rather than international financial organizations. And maybe the public would not have blamed “dependent” ruling elites and the people who elected them to office as much as they do today.

It is worth noticing when looking at all the above tables, and especially at Table 4, that the surveys done in 2003 and 2004 were carried out at a time in which the Argentine economy was growing at 6% and 7% annually. By 2005 and 2006, at least at the macro level, one could no longer talk about a development crisis or a gloomy prospect for the Argentine economy. Yet at the micro level things still do not look good. Unemployment still remains high and social problems have not been resolved; in fact, one can argue that they have worsened. Public health and other social services are still in decline, and most of those who fell below the poverty line have remained there with no foreseeable hope of recovery. The trickle-down effect of a healthier export economy has not reached the most impoverished sectors of the population and especially the “losers” of globalization. Uncertainty about the future surfaces in all aspects of social life and shapes decisions regarding education, family planning, emigration, and job searching.

A closely related question in the survey not only strengthened the finding that government is deeply discredited, but also that the customary solutions to the problems of the country—the search for the right economic strategy or the advent of new political coalitions to power—no longer convince citizens. Respondents do not agree with these well-known strategies to resolve deep-rooted problems and open questions about the present and future of the country. They, indeed, want something different. Or perhaps something reminiscent of forgotten ideologies too long thought of as belonging to a shattered past that was never to come back. Asked what type of future they favor for their country—one based on collective action and united effort, a second future scenario resulting from the right economic strategy hopefully leading to material prosperity, or a third scenario resulting in political stability—most interviewees preferred the first choice (see Table no. 5). Most respondents wished to be a part of the decision making process. They want to construct a future for the country on the basis of a collective and united effort rather than to delegate those decisions to the political elite. Under democracy, they want to be participants rather than simply bystanders.

Another interesting finding in the survey was that only a minority choose a future based exclusively on economic prosperity as the best alternative for the country. Where liberal reform emphasizes the wisdom of market forces and free trade as guarantors of a better future, at least in the city of Buenos Aires most people emphasize collective endeavor and participation. Markets seem less reliable and more elusive than a collective and united effort; markets, by themselves, seemed unable to foster collective responsibility, prosperity and political peace. Tellingly, respondents believe that the very notion of political stability, traditionally seen as a condition for prosperity and key for a better future, remains insufficient as the ultimate goal for a better future.

**Table 5 about here.**

### **What type of future do you favour for your country? 2001–2004**

One can suggest that disbelief in the wisdom of the free market and other forces associated with globalization is reflected in the respondents’ incredulity regarding the wisdom of economists and planners who often take economic development as the major baseline upon which to build a better future. Argentina has certainly embraced this vision many times; the most important Ministry in the country has traditionally been the Ministry of the Economy and the most important political figure of all Ministers the Minister of Economics. It is against this background that we should place the results of these questions about the most desirable future for the country. We can read a rejection to this strategy and the emphasis on economic strategy as the most desirable means to achieve a better future. In addition, we can infer that in the eyes of respondents the future cannot simply be left in the hands of the state and its Ministers. Rather, in the eyes of the public the best strategy to secure a healthier future is one in which the community actively participates in decision-making.

When we break down the samples of these surveys by gender and levels of education, we see some interesting differences. For example, consistently in the four polls, more females than males thought that a strategy based on collective effort and economic prosperity (in equal dosages) was the

best way to build a better future. Males, however, were a clear majority among those who thought that a strategy based on collective effort *alone* was the most effective to reach a better future. Females, for their part, were a bit more enthusiastic about a plan for the future exclusively based on the right economic strategy. When broken down by levels of education, those with a university education strongly supported a strategy based exclusively on collective effort to attain a better future, while respondents with lesser formal education did not.

## **Conclusions**

We can conclude that starting in the mid-1990s, the neoliberal vision of a better society, with its emphasis on individual rationality, efficiency, free market choice, and intense engagement in global market competition, faded away in Argentina. An unintended consequence of the enthusiastic adoption of first and second generation liberal reforms materialized in increasing uncertainty about social and political life and the near and long term future. Another unintended consequence of radical neoliberal reform was the emergence of a democracy with little trust in government, politicians, and public institutions. Still another was that Argentina inherited no concrete national project for the future of the country from ruling neoliberal elites, which further contributed to uncertainty and strengthened the divorce between citizens and the state. Under neoliberalism, both state and society in Argentina have suffered from increasing alienation. We can detect this alienation in the strong antagonistic and defiant attitude toward the state which has eroded legitimacy and political obligation. In this democracy most people do not necessarily mistrust the idea of an electoral process to decide the allocation of power, but they do mistrust politicians and party politics, do not feel represented by any political organization, and think that they owe nothing to the state. This is a democracy in which government appears alien and distant despite its efforts to articulate a populist discourse and to reach to some popular sectors trying to rescue a well-known tradition of *Peronism*. And this is a democracy in which the public, not only in the city of Buenos Aires but also in the whole of the national territory, believe that democracy is better than authoritarian alternatives but also think that their political system does not work properly and is not to be trusted. The state is perceived as a weak actor and international forces as wielding most of the power.

Given this unabated mistrust toward the state and the market, at least in Buenos Aires, people seem to be demanding more control over their own prospects and country's future. Disheartening as it may sound for those who once believed in MERCOSUR as a hope for integration and as an empowerment of the international leverage of the countries involved, our research in Argentina shows that the public does not regard MERCOSUR as a possible future for the region and their country. Regional integration does not seem central to the future of Argentina. Nor do they believe that a run-of-the-mill democratic system based on regular elections and party contestation is going to deliver a better future either. They do not even believe that finding the "right" economic strategy can gain the country a more promising future. Rather, they want a future collectively built. This notion of the future is neither a new nor a revived rendition of Marxism, Socialism, or Anarchism. It is, however, an attempt to create mystique where neoliberalism was able to create none, and to find meaning that can guide action using alternative strategies to produce stability and relief uncertainty.