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Argentina: The Reproduction of Capital Accumulation through Political Crisis

And all science would be superfluous if the form of appearance of things directly coincided with their essence.¹

Se vogliamo che tutto rimanga come é, bisogna che tutto cambi.²

In her article, 'The Battle of Buenos Aires: Crisis, Insurrection and the Reinvention of Politics in Argentina', Ana Dinerstein presents a thesis which bears much relevance for the Argentine working class. According to Dinerstein, the events of 19–20 December 2001 in the Plaza de Mayo brought about a fundamental change in the way politics is practised in Argentina. Moreover, the nature of this change is impossible to miss, clearly pointing as it does towards a new form of political action directed at superseding the capitalist mode of production.

Dinerstein bases her thesis on four points related to the people's march on the Plaza de Mayo: a) its broad-based appeal; b) its spontaneity and horizontal organisation; c) its demand 'all of them must go!'

¹ Marx 1991, p. 956.

² Tomasi di Lampedusa 2000, p. 41.

[*¿qué se vayan todos!*]; and, finally, d) the projection of these trends into the neighbourhood assemblies, the barter clubs, the factories turned into co-operatives, and others.

Certainly, Dinerstein is not alone in her analysis and conclusions. On the contrary, she presents a point of view that is widely shared among those who advocate radical change in Argentine society. Beyond their particularities, a broad range of participants and observers share this view, ranging from the 'traditional' revolutionary Left to the supporters of the 'new social subjects'.³ Even at international level, the Argentine case is seen as paradigmatic, representative of the rise of a new social subject able to overthrow capitalist society.⁴ We shall analyse Dinerstein's paper within this framework and follow the path she suggests.

Let us start with Dinerstein's first premise: the magnitude of the events of 19–20 December 2001 in the Plaza de Mayo. As Dinerstein writes:

The battle of Buenos Aires lasted 10 hours. During the confrontations between demonstrators and the police, hundreds were arrested, six people were killed and many injured.⁵

Simply in terms of size, however, a different type of popular action actually accounted for 9 deaths and 2,717 arrests in the Greater Buenos Aires area alone during those days, and for a total of 29 deaths and 4,500 arrests in the country as a whole.⁶ What sort of popular action was this that such figures only receive a footnote from Dinerstein, and a rather ambiguous one at that?⁷

The answer is looting. Neither these figures nor the acts themselves are given much significance in Dinerstein's presentation. They are only referred to once, as an occurrence that took place before the 'real' political events: the *cacerolazos* – the banging of pots and pans – and the march on the Plaza de Mayo.⁸ Dinerstein is not the only one to disregard looting as a key feature of the political events of December 2001,⁹ and this glaring omission

³ Compare, for instance, Altamira 2002 and Bonnet 2002.

⁴ See Holloway 2002b, Petras and Veltmeyer 2002.

⁵ Dinerstein 2002, p. 23.

⁶ Anonymous 2002a, p. 17. The actual number of deaths during the looting spree could be significantly higher. According to direct witnesses, for example, four people were killed simply during the looting of a supermarket in José C. Paz. None of these deaths were officially registered.

⁷ Dinerstein 2002, p. 23.

⁸ Dinerstein 2002, p. 22.

⁹ See, for example, Petras and Veltmeyer 2002.

is particularly noticeable in those studies that ascribe the rise of a new political subject in Argentina to the December 2001 events.¹⁰

Are we to believe that the looting was not a political event? In fact, the government did not establish a state of siege as a result of the *cacerolazos*, as Dinerstein asserts.¹¹ The state of siege was declared several hours before the first pot was banged, in response to widespread looting. Why, then, is it that the looting is infallibly the *bête noir* in those studies that present December 2001 as a turning point in the way political action is carried out in Argentina?

The looting

In order to bring out the political significance of looting in relation to the *cacerolazos* and the march on the Plaza de Mayo, let us briefly consider the structure of the City of Buenos Aires and its suburbs, the Greater Buenos Aires region. This urban conglomerate is situated on the shores of the River Plate. Broadly speaking, it consists of the nucleus of the City of Buenos Aires, the seat of national government, surrounded by two semicircular belts. Notwithstanding the existence of neighbourhoods which are visibly different from each other within each of the three zones, the following table provides a general overview of the situation in October 2001:

Table 1
Unemployment and poverty in the Greater Buenos
Aires, October 2001¹²

	Population (millions)	% of the Economically Active Population		% of total population below the line of:	
		Unemployed	Under- employed	Poverty	Extreme poverty
City of Buenos Aires	3.0	14.3	11.8	9.8	2.1
First Greater Buenos Aires Belt	3.0	17.8	15.7	26.6	6.8
Second Greater Buenos Aires Belt	6.6	22.8	19.9	51.1	19.3

¹⁰ See Colectivo Situaciones 2002.

¹¹ Dinerstein 2002, p. 23.

¹² Source: 'Encuesta Permanente de Hogares', Instituto Nacional de Estadística y Censos (INDEC). See INDEC 2002. The figures include the newly-urbanised areas which lie next to the traditional limits of the Greater Buenos Aires. Extreme poverty means an income below that needed to purchase the most basic food basket without even taking rent into consideration.

The *cacerolazos* and the march on the Plaza de Mayo only took place in the City of Buenos Aires and the more prosperous neighbouring suburbs. Beyond these areas, however, they were strange and far-removed events observed on television. On the other hand, looting was a common event in the outlying areas and extended into the poorest neighbourhoods of the City of Buenos Aires. In this case, the television audience was made up of the more skilled workers and the plentiful petty bourgeoisie, worried by the possibility that the looting mobs might make a move on their own neighbourhoods.¹³

No careful observer could miss the lines of four-wheel drives and other deluxe cars echoing the *cacerolazos* as they paraded in protest before the elegant residence of the displaced minister of economy, Cavallo, the champion of convertibility. Thanks to convertibility, the most prosperous supporters of neoliberalism had been able to import these vehicles. But the recently imposed *corralito* (literally, small fencing or enclosure) on bank deposits had revealed to them the true colours of this 'false idol' and, they felt, it was time to tear it down.

Conversely, looting was a phenomenon which evinced very little spontaneous political action, let alone elements of a horizontal political organisation. Clearly, looting was rooted in the hopeless misery to which the Argentine working class was finding itself condemned by the inexorable path followed by capital accumulation. But it is noticeable that, after December 2001, no more looting took place despite the fact that unemployment soared and real wages plunged.

It is well known that, in the province of Buenos Aires, it was the apparatus of the Justicialista Party (official name of the Peronist Party) that had prompted the looting. This apparatus was commanded by Duhalde, who was finally appointed president in the aftermath of December 2001.¹⁴ The Peronist local leaders [*punteros*] drew people out by announcing locations where food was

¹³ To avoid any misunderstanding, note that by 'working class' I refer to the totality of the members of society that are separated from their means of production and only own their labour-power, selling it in order to materially reproduce their lives, whatever the intensity, complexity and productivity of their work. My use of 'working class' does not depend on the price of their labour-power, on whether it is productive or unproductive with regards to the valorisation of capital, or on whether workers are able to sell it, in whatever the way they relate to commodity production. By petty bourgeoisie I mean the genuine independent producers of commodities, the individual merchants and the capitalists whose capital falls short of the amount needed to actively participate in the formation of the general rate of profit.

¹⁴ In the 1999 presidential elections, Duhalde was defeated by De La Rúa, from the Alianza Party, who fled the country on 20 December.

supposed to be distributed for free. Then their cadres spearheaded the looting.¹⁵ Let us consider a specific case – that of the district of San Miguel, one of the poorer areas of the Second (urban) Belt around the Argentine capital, governed by Aldo Rico. Rico is a former army officer who led a military coup in 1987 in support of the torturers and murderers of the 30,000 *desaparecidos* of the 1976–83 military dictatorship. In 1999, he was elected mayor of San Miguel with 68% of the votes, supported by Duhalde. Now, Rico set up an operation aimed at driving the potential looters to the borders of his district, giving them *carte blanche* to act from there onwards.¹⁶

In fact, the Justicialista party had already resorted to this course of action in 1989, when a wave of looting was a key factor for the premature transfer of power to president Menem.

Therefore, the fall of the national government on 20 December 2001 was precipitated by the confluence of two forms of popular political action. Looting was clearly the dominant form within the areas of greater poverty furthest away from the city centre. It was articulated by a political structure that grew in proportion to the deteriorating conditions for the reproduction of the labouring population. This structure is based on a complex relationship within which political action, clientelism, crime, *barras bravas* [hooligans] and police impunity all come together.¹⁷ Within the more prosperous areas located closer to the city centre, the *cacerolazos* and the march on the Plaza de Mayo were the principal form of protest. These were spontaneous movements that coincided with the mobilisation of the left-wing parties under the motto ‘all of them must go!’.

This twofold process raises a further issue: the identity of the determining factor underlying the two forms of action in question, apparently opposed in terms of both political form and content, but which fused, bringing on the fall of the Alianza government. To answer this question we must start by considering the course followed by the national process of capital accumulation that culminated in those actions.

¹⁵ Amato and Guagnini 2002, pp. 16–18.

¹⁶ Anonymous article 2002b, p. 17. This case has been verified through testimonies collected by students of the Universidad Nacional de General Sarmiento, which is situated in the area.

¹⁷ Guagnini 2002; Young, Guagnini and Amato 2002, pp. 20–2.

The specific trend towards economic contraction

Dinerstein states that:

One of the keys to understanding why the convertibility plan did not produce the macroeconomic conditions for sustained growth and, instead, led to the crisis of December 2001 lies in the fact that, during the 1990s the private sector produced deficit in the generation of foreign currency for the country . . . with their commercial and financial transactions with the world. The negative balance was covered by the public sector which indebted itself to cover the difference and thus accumulate reserves to expand domestic credit.¹⁸

All this accentuated the vulnerability of the plan 'to the capricious movement of global capital and financial markets'.¹⁹ Then, the escalating 'tension between persistent social and labour struggles and the pressure from financial institutions'²⁰ produced political instability, which, in turn, produced 'further economic instability'.²¹ And so on until the crisis exploded in December 2001.

But what economic growth are we talking about? The physical volume of social production evinced substantial growth during the 1990s, even more so than that of the USA. During 1990–2001, the average physical volume of the Gross Domestic Product (GDP) grew 26% more than levels reached during the previous stagnation of 1975–89 and 74% more than levels reached during the previous sustained growth period of 1960–74.²²

This growth is the mainstay of the arguments presented by the supporters of neoliberal policies who claim that the crisis resulted from an incomplete application of these policies, creating a climate of political instability. In turn, this climate purportedly generated fear in investors, causing the withdrawal and flight of international capital.²³ As we can see, however, despite standing in opposite corners over 'the struggle between money and life',²⁴ both Dinerstein

¹⁸ Dinerstein 2002, p. 17.

¹⁹ *Ibid.*

²⁰ Dinerstein 2002, p. 19.

²¹ Dinerstein 2002, p. 20.

²² Iñigo Carrera 2002, pp. 3–4; see the methodological criteria on p. 4, and a data table on p. 32, based on original information from the Banco Central de la República Argentina (BCRA) and Ministerio de Economía (ME).

²³ See FIEL 2001.

²⁴ Dinerstein 2002, p. 22.

and the defenders of neoliberalism agree that the origins of the December 2001 crisis lie in the very political forms themselves. Posited on the side of 'life', this conception might appear to be a revolutionary-critical perspective concerning the abolition of the capitalist mode of production. However, it actually implies an idealistic inversion of the determination of working-class consciousness, which becomes reduced to the appearances of its advances and retreats in political struggle.

The consciousness of the Argentine working class is no more than the expression of its social being. This social being is concretely determined by the specific way in which the material production of its life is organised. Clearly, the issue concerns what is to be done regarding the current political situation in Argentina so that this action can express the general interests of the working class.²⁵ To do so, we must start by bringing to light the concrete historical powers of the Argentine working class. Therefore, we need to begin by taking a look at the specific nature of the Argentine process of capital accumulation.

In other words, we must avoid embracing the illusion that an apparent rise in the political awareness of the Argentine people will *per se* engender a radical change in the national process of capital accumulation. The point is to examine what has changed in the process of capital accumulation in Argentina that has prompted it to take specific political form in the shape of direct popular action. Thus, it will be possible to unveil the historic potential that lies within such action.

Let us take another look at the growth of the Argentine social product during convertibility from the specific point of view of capital accumulation. As we well know, in those societies where the capitalist mode of production dominates, social wealth does not simply appear as the material accumulation of use-values but, rather, as the accumulation of value. In other words, it is clearly not enough to merely possess more goods in order to be wealthier; what really matters is the total value of those goods. This is a delicate issue for the Argentine economy, where, particularly over the last decade, complex industrial production has been overtaken by imports while only the production of raw materials and very low value-added activities have expanded.

In real terms of purchasing power, average GDP grew only 24% from the 1960–74 period in comparison to the 1990–2001 period. Even worse, during

²⁵ Marx and Engels 1976, p. 497.

the latter interval it fell to 10% below the level reached 1975–89.²⁶ During a time of apparently sustained growth in physical volume, the Argentine economy actually lost a tenth of its value. In 2001, it was 9% below the value it had reached in 1974. Hence, the expanded physical volume of material products pointed to a contracted mass of social wealth. The annual value product of the Argentine economy has remained stagnant – if not actually shrunk – during the last twenty-five years.

In short: in 1960–74, the value of Argentine GDP was equal to a monthly equivalent of 18 million of the staple goods baskets that are used to compute the consumer price index. In 1975–89, it grew to 24 million baskets, yet fell to 22 million in 1990–2001.²⁷ Meanwhile, the average population grew from 23 million to 29 million, and to 34 million, respectively.²⁸ In 1960, the Argentine economy was equivalent to 3.2% of the USA economy; in 2001 this proportion had fallen to 1.5%.²⁹ It was from these already contracted levels that the 7% fall in value which took place in the crisis of 2002 (corresponding to an 11% fall in volume) occurred.

However, the issue does not end here. We also know that capitalist production does not merely aim at the production of value. It aims at the production of surplus-value. Total net surplus-value³⁰ increased by 90% between 1960–74 and 1975–89, although total value grew only 40%. Still, the 10% fall in the value product between 1975–89 and 1990–2001 allowed for only an increase of 8% in net surplus-value.³¹ Moreover, total surplus-value did not end up falling in absolute terms, because it was sustained at the expense of undermining the normal reproduction of capital accumulation at its very base, namely, by increasingly paying labour-power below its value. Many years before the current crisis, the national process of capital accumulation began to show a specific trend towards the formation of a surplus-labouring

²⁶ Iñigo Carrera 2002, pp. 6–7; see also the methodological criteria on pp. 5–9, and the data table on p. 32, based on original information from the BCRA, ME and the Instituto Nacional de Estadística y Censos (INDEC).

²⁷ Iñigo Carrera 2002, p. 10; see also the methodological criteria on p. 7, and the data table on p. 32, based on original data from the BCRA, ME and INDEC.

²⁸ *Ibid.*; see the data table on p. 32, based on original information from INDEC.

²⁹ *Ibid.*; see the methodological criteria on pp. 5–10, and the data table data on p. 32, based on original information from BCRA, ME, INDEC, the US Bureau of Economic Analysis (BEA) and the US Bureau of Labor Statistics (BLS).

³⁰ Total surplus-value, net of circulating expenses plus the value of fixed capital consumed.

³¹ Iñigo Carrera 2002, pp. 11–12: see the methodological criteria on p. 11 and the data table on p. 32, based on original information from BCRA, ME and INDEC.

population. This trend immediately results from the stagnation and contraction of the amount of value produced by the Argentine economy. During 1990–2001, the real industrial wage fell 35% with respect to 1960–74 and 23% with respect to 1975–89.³² At the same time, legislation slashed indirect wages by at least a third, which, in practice, was much more owing to the expanding informal economy and deteriorating pension and health systems. Thus, the Argentine working class has been increasingly prevented from reproducing its labour-power with the productive attributes it had developed before the stagnation and contraction began. The Argentine economy does not only come up against a specific limit to its growth but, as it is absolutely unable to reproduce the labour-power it once required, it collides with the general base of capital accumulation itself.

The specific form of capital accumulation in Argentina³³

At first sight, it appears that the Argentine economy has developed along the general lines inherent to the national processes of accumulation of industrial capital. There is a clear trend towards the centralisation of capital and a strong presence of the world's most concentrated capitals. Yet a peculiarity immediately emerges. These capitals work on a scale restricted to the size of the internal market. How do they fit into a market of only 36 million inhabitants, almost half of whom live below the poverty line today and whose average wage is just one tenth of the American wage? For instance, six of the world's main car manufacturers still have production plants in Argentina. Each export to the Mercosur zone is met by an import, thus balancing out any expansion of the scale of production, beyond that of the internal market. Conversely, in Italy, with a population that is two thirds larger and an average wage close to the American one, there is only one car manufacturer which is, furthermore, unable to sustain independent capital ownership.

The answer lies in the scale of the Argentine plants, which is small compared to that of other plants managed by the very same capitals which supply bigger internal markets or the world market. Yet, this small scale, and its negative consequences upon technical innovation, mean lower labour productivity, and thus higher production costs leading to the impossibility

³² Iñigo Carrera 2002, p. 20; see the methodological criteria on pp. 19–20, and the data table on p. 32, based on original information from INDEC.

³³ This section is based on Iñigo Carrera 1998.

of valorising capital at the general rate of profit. Therefore, in addition to the surplus-value simply extracted by industrial capital from its productive workers, the capitals in question need to find, within the Argentine economy, an additional source of social wealth to compensate them for their limited production scale.

Today, the sale of labour-power below its value accounts for a significant part of the compensation. Still, this relative cheapness cannot be – nor could it ever have been historically – its main source. Had this been the case, industrial capitals would have generated production from Argentina for the world market as the norm, instead of restricting their scales of production to the domestic market.

A second source of compensation arises from the pervasive presence of small national capitals. Their accumulation is not directly ruled by the general rate of profit, but by the rate of interest. When the price of production of their commodities pushes their profitability over this limit, the competition among them means that the profit at stake ends up being transferred to the more concentrated capitals to which they relate in circulation.³⁴

However, historically, the main source of compensation has always been the differential ground rent from the Argentine *pampas* – more recently, the differential rent coming from oil, gas and hydroelectric energy has also acquired relevance. Landowners, on the one hand, and the international industrial capitals that operate as restricted fragments in Argentina, plus the more concentrated national industrial capitals, on the other hand, are, albeit antagonistically, associated to appropriate the differential ground rent. This shared appropriation underlies the whole specificity of the Argentine national process of capital accumulation. This is where the current stagnation and ensuing crisis have their specific roots.

Industrial capitals have appropriated their share in differential ground rent through different means. In some cases, this originates in the flow of rent to the state through special taxes on agricultural exports, regulated prices or the monopoly on foreign trade. The rent is then transferred to industrial capitalists as subsidies, the purchase of commodities by the state and by its workers, and so on. In other cases, the state controls the flow in an indirect way. For instance, this can occur through a fiscal deficit covered by the inflationary

³⁴ For this determination of differential concrete rates of profit, in opposition to the theories that ascribe these differences to market forms, see Iñigo Carrera 2003, pp. 123–30.

printing of currency, which leads to a negative rate of interest in real terms, and in which the landowners are creditors and industrial capitals are debtors. Another significant way is the overvaluation of national currency. When agricultural exports pass through the exchange mediation, overvaluation retains a share of their value that corresponds to ground rent. The industrial capitals are then able to appropriate this because the overvalued national currency allows them to import means of production at a lower cost than the price of production on the world market. Overvaluation, moreover, multiplies the value of profits made locally in international terms when they are remitted abroad. In fact, overvaluation has been the prevailing method for appropriation throughout the last decade, which fell into a violent crisis in 2001.³⁵

The paths taken by the appropriation of ground rent do not impinge on the normal profitability of agricultural capitals. But they certainly limit the scale of their intensive and extensive disbursement on land. In turn, this limitation affects the pace of technical innovation in agriculture and extends the specific national limitations as far as the only sector truly able to compete on the world market. As such, only those industrial capitals which produce on a scale already superseded by the development of the productivity of labour on a global scale, are able to valorise themselves in Argentina. Some of them fit into this category because they are just small capitals. Others do so because they are specifically restricted fragments of capitals that actually operate on a normal scale elsewhere. The former are unable to develop the productive forces of society owing to their limited size. The latter obtain a normal rate of profit, and may even make extraordinary profits, without fulfilling their historical role in that selfsame process of development. Moreover, they are actually freed from the costs of developing the productive forces as they are able to convert what has already become scrap in the countries where capital operates on a normal scale into brand new capital in Argentina. Hence, although the Argentine national process of accumulation appears to be an ordinary national process of development of the productive forces of society, it is in fact working against this development.

This contradiction, which is so characteristic of the Argentine economy, acquires a particular shape in the process of capital centralisation. The centralisation of capital tends to liquidate small capitals, therefore undermining

³⁵ Iñigo Carrera 2002, pp. 12–14; see the methodological criteria on pp. 5–9, and the data table on p. 32, based on original information from BCRA, INDEC and BLS.

one of the sources of additional surplus-value appropriated by concentrated capitals. At the same time, despite the internal concentration and centralisation of capital, the gap between the limited productivity of labour that corresponds to the size of the internal market vis-à-vis the size of the world market, continues to grow. In turn, the privatisation of state enterprises restricts the role of the state as a source of demand to sustain the internal market, adding new capitals that demand their share of ground rent, of the value of labour-power and of the surplus-value freed up by the small capitals.

But there was another element which pushed the contradiction inherent in the Argentine process of capital accumulation to a critical point. During the first half of the 1970s, agricultural ground rent rose abruptly. Thus, in each year between 1972 and 1976, industrial capitals appropriated eight times the real average annual amount they had appropriated in the 1960–71 period.³⁶ Yet, after reaching this peak, world ground rent began to drop in a downward trend that has continued up until the present.

With differential ground rent decreasing and the amount needed to support accumulation in fragmented industrial capitals rising, the Argentine process of capital accumulation increasingly witnessed the deterioration of its specific basis. The value product fell into stagnation and decline, whereupon the profit freed up by small capitals shrank even more and the gap between the scales of the domestic and the world market widened. Moreover, the consequent multiplication of the surplus-labouring population enabled capital to pay labour-power below its value, which counterbalanced the former effects, thereby providing a new basis for the reproduction of the specific nature of the national process of capital accumulation.

As the national economy stagnated and shrank, the overvaluation of the currency not only served as a mediator in the appropriation of ground rent but also narrowed the gap in productivity inherent to the relatively restricted scale of production for the internal market. It did so directly by enabling the cheap import of means of production and indirectly by allowing the import of cheapened means of subsistence for the workers, thus cheapening their labour-power. Additionally, lower import duties reinforced the effect of the overvaluation of currency. However, at the same time as cheapened imports displaced local production, the reproduction of the national process of capital accumulation on the basis of an overvalued currency and free-trade policies came ever closer to death by suffocation.

³⁶ Iñigo Carrera 2000, pp. 62–3.

Ten years of a highly overvalued currency required a significant accumulation of reserves in foreign currency. However, a national economy whose size in terms of value was shrinking, whose reproduction demanded the growth of imports over exports, and which was suffering from the contraction of ground rent, had no means of generating such reserves on its own. Where did these reserves come from? The answer lies in the real expansion of foreign public debt.

There exists the widespread belief that the payment of the foreign public debt resulted in the continuous outflow of social wealth which was ultimately responsible for the collapse of the Argentine economy. Despite its apparently critical slant, this belief clashes with a simple fact: from the 1960s onwards, Argentina received a continuous influx of social wealth as a result of increasing its debt in real terms over the capital and interest payments that were due.³⁷ These additional funds, together with those raised through the privatisation of enterprises owned by the state, provided the reserves that sustained the overvalued national currency. However, the very same overvalued peso acted as a stimulus for the expatriation of foreign currency by the private sector. So, as soon as the national state topped up its reserves by increasing its foreign debt, the private sector drained them by sending foreign currency abroad. This locked the state into a constant vicious circle of increased public indebtedness created in order to maintain the overvalued peso.

This cycle was rooted in the overabundance of fictitious capital circulating in the world market. During the last quarter of the twentieth century, global capital accumulation entered one of its phases towards general overproduction.³⁸ Overproduced capital started to circulate as fictitious capital, namely, as a mass of credits conceded to insolvent debtors that merely keep up the appearance of valorisation by constantly accruing due interests to an unpaid and overdue principal. As the advance of the global economy towards general overproduction maintained the appearance of being a mere process of accumulation based on the expansion of credit, the Argentine state was able to expand the influx of foreign currency to replenish its reserves. But, in 2001, general overproduction manifested itself to such a degree that it abruptly put the brakes on the global expansion of fictitious capital. At the same time, the expanded access to global fictitious capital was subject to the capacity of the

³⁷ For a computation of these movements see Iñigo Carrera 2002, pp. 24–9, and the data table on 36–7, based on original information from BCRA, ME, INDEC and BLS.

³⁸ Iñigo Carrera 2003, pp. 67–75.

Argentine economy to maintain the appearance that it was able to honour its debt. The same overvaluation of the national currency, the expansion of imports, the privatisation of state enterprises, and so on, helped to support this fiction. But, here too, reality was eventually due to burst in. Those state assets suitable for immediate privatisation had been exhausted and the national process of capital accumulation openly clashed with its specific limit, therein contracting the value of GDP and brutally increasing unemployment. The same contradiction between economic contraction and the unstoppable expansion of foreign debt made interest rates soar.

Together, the global crisis and the Argentine crisis – the latter became intensified as a specific expression of the former – brought the cycle of replenishment of foreign currency reserves through ever increasing levels of foreign indebtedness to a violent end. The across-the-board renewal of due debts (the plans of ‘Blindaje’ and ‘Megacanje’) threw the painful nature of this process into sharp relief. Then, as it became evident that no new real expansions of the state’s foreign debt were at hand, the private depletion of the reserves accelerated, showing that ‘convertibility’ and its overvalued currency were about to collapse. Although bank deposits were nominated in US dollars and supposedly guaranteed by the strongest international banking capitals, these turned out to be equally unsustainable fictions: as soon as the withdrawal of deposits (to turn them into true US dollars) accelerated, the same neoliberal banking capitals clamoured for state intervention. And the state obeyed by introducing the *corralito*, enclosing bank deposits.

The unstoppable crisis reached into every nook and cranny of the Argentine economy. Credit disappeared, tax collection fell to rock-bottom levels, bankruptcies and factory closedowns multiplied, and unemployment peaked. A substantial devaluation of the peso was imminent. A devaluation of this kind meant a further fall in real wages, rises in costs and unbearable losses in an economy where most domestic liabilities and contracts were denominated in foreign currencies.

The national process of capital accumulation was heading for a situation involving a substantial fall in real wages, a violent contraction of its scale and an open default on its foreign debt. At this point, the issue was the political form that the crisis was to take.

The political representation of capital accumulation in Argentina

At the turn of the twentieth century, the agricultural landowner class dominated the general political representation of the national process of capital accumulation. Nevertheless, as industrial capitals became stronger partners in the appropriation of ground rent, landowners were relegated to a secondary position.

Argentina's development as a space for the accumulation of capitals that, despite their normal global scale, operate as limited fragments to be valorised in the specific way detailed above, was dependent on an existing specific condition. It required the wide-scale presence of genuine small capitals. This was a condition that both provided the domestic market with sufficient breadth and endowed fragmented capitals with one of the sources of additional surplus-value which they required to compensate for their own limited scale. Hence, in its historical development, Argentine capital accumulation went through a phase characterised by the general transformation of ground rent into a mass of small domestic capitals. This multiplication of small capitals not only absorbed the already active labouring population but also multiplied it on a wide scale so that it appeared to be the very cradle of the Argentine working class. On this basis, the Argentine petty bourgeoisie and the working class converged in the general political movement that consolidated the genesis of the specific form of the national process of capital accumulation in the 1940s; namely, Peronist populism.

From this point on, the immediate reproduction of the Argentine working class as an active labouring population and of the national petty bourgeoisie remained tied to the reproduction of this specific form. This reproduction gave way to the widespread arrivals of the particularly restricted fragments of normal capitals, starting in the 1950s. Given their foreign origin, these capitals could not be politically represented in Argentina by their own bourgeoisie. Nevertheless, since their accumulation had become a condition for the reproduction of the national economy, they were able to delegate their political representation within the same populist movement and also through the diplomatic staff of their countries of origin. So-called developmentalism [*Desarrollismo*] was the most genuine expression of this political representation. Furthermore, throughout Argentine history, the appropriation of ground rent has been mediated by the actions of the national state as the general political representative of the total social capital that is valorised in the country. Hence the specific participation of the state bureaucracy, particularly the armed

forces, in political struggles. When the national accumulation of capital entered a phase of growth based on a circumstantial increase of ground rent, its general political representation corresponded to a populist-democratic government. When the economy contracted, however, this place was taken by a military dictatorship actively supported by foreign capitals.

As a product of the specific form of the national process of capital accumulation, the Argentine left-wing parties could not escape being determined as particular political representatives of the reproduction of the selfsame specificity.

Yet they were unfit to act as the general representatives of the working class within this process, as this role corresponded to the populists. The role of left-wing parties was restricted to spearheading the struggle for higher wages and the reinstatement of democratic government when the economy entered expansive phases. On the surface, it seemed that these struggles brought into question the overthrow of capitalist society itself. Yet, as economic expansion began to consolidate itself, the left-wing parties found themselves ousted by mere populism. And, as soon as the subsequent process of contraction got under way, their struggles against falling wages and rising unemployment – vis-à-vis the retreat of the populists – turned them into scapegoats, suffering the wrath of a new military dictatorship. Even those parties that called for a revolutionary expropriation of the bourgeoisie were unable to overcome the appearances of the Argentine specificity. Therefore, they completely overlooked the specific nature of the very material base on which that expropriation would have had to operate. In Argentina, the bourgeoisie had set up nothing but a mass of obsolete means of production materially unfit to support the development of the productive forces of society.

In fact, over twenty-five years ago, the fluctuation between expansive and contracting phases gave way to a blatant tendency towards stagnation and decline in the political form of the bloodiest military dictatorship. The dictatorship imposed itself when the circumstantial expansion of the national process of capital accumulation – largely due to the exceptional increase of ground rent during the years 1973–4 – came to an end. And it did so by bringing about the armed defeat of the political forces that had welcomed the same circumstantial expansion of Argentine capital accumulation as evidence that this process would lead directly towards socialist supremacy. From then on, the reproduction of the Argentine economic specific form resulted in the accelerated liquidation of the petty bourgeoisie and an increasing transformation of the working class into a surplus population for capital.

Nevertheless, even going downhill, the immediate reproduction of both social classes remained tied to the reproduction of the specific nature of the national process of capital accumulation.

The coalition between the petty bourgeoisie and the working class continued to bear the general political representation of Argentine capital accumulation. However, intermittent periods of expansion increasingly proved unable to counteract the overall trend of contraction. Expansionary phases became weaker and weaker, whilst the surplus-labouring population continued to grow even through these phases. There was no place left for the generalised illusion concerning the political powers gained by the working class and the petty bourgeoisie during the expansionary phases that needed to be annihilated when renewed contraction became apparent. Thus, even as the crisis deepened, democracy acquired continuity. This process of accumulation, which only could reproduce the petty bourgeoisie and the working class at the expense of their accelerated liquidation to the benefit of the most concentrated capitals, acquired its proper political shape through populist rhetoric with neoliberal content.

In 1976, only a bloody military dictatorship that systematically abducted shop stewards from their workplace and made them 'disappear', was able to reduce real wages by 35%. Then, throughout the 1990s, real wages dropped even more sharply, to an average of 40% below the levels reached between the years 1973–5.³⁹ But, in this case, it was not a military dictatorship but the Peronist government of the Justicialista Party that was in office. The same low levels were sustained under another democratic government with a populist programme and a neoliberal policy, namely, the Alianza Party headed by De La Rúa, which was the opposition to the Justicialistas. These facts are clear indicators of the significant weakness suffered by the political and union strength of the Argentine working class during the last quarter of the twentieth century.

Nevertheless, by the end of 2001, the inevitable devaluation was set to cause a drop in real wages of such proportions that the situation, coupled with a drastic rise in unemployment, could only be handled by a government able to ensure the absolute paralysis of the unions. Only the Justicialista Party enjoyed such a capacity, supported by both the official federation of unions (CGT) and the strongest dissident federation (MTA). At the same time, the Alianza government found itself unable to declare default on the external

³⁹ Iñigo Carrera 2002, p. 20.

debt, since it had claimed repeatedly that payments to foreign creditors were guaranteed and that 'convertibility' was to be maintained whatever the consequences. In fact, devaluation and the default would need to acquire the political form of a statement of national autonomy if they were to push through. Once more, Peronist populism was their appropriate political expression. However, the Alianza government was just in the middle of its term in office. Therefore, if the Justicialista Party was to take power, President De La Rúa would have to fall. All the conditions pointed towards a 'democratic' overthrow, in other words, towards the fall of the Alianza government at the hands of its own social base: the petty bourgeoisie and the working class that performs complex labour.

In 1989, the widespread looting set the scene for the premature transfer of power from Alfonsín, of the Radical Party which had become the basis of the Alianza, to Menem, of the Justicialista Party. In 2001, the looting acted as the spark that revealed the government's impotence in handling the situation. On 19 December, rumours about looters moving in on shops and homes in the more prosperous neighbourhoods were spread intentionally among the population. Everybody remained alert. Even in the financial district, shops closed early and boarded up. In the outer areas, neighbours prepared themselves for a night of surveillance and formed bands of vigilantes. The president declared a state of siege and offered up the head of his minister, Cavallo. But he insisted on remaining in power. In this tinderbox-like situation, the spark ignited the explosion: the *cacerolazos* of the petty bourgeoisie and the skilled workers, followed by the march on the Plaza de Mayo. Powerless, the government brutally turned on its own social base while President De La Rúa fled to the sound of the cries of 'all of them must go!'

Nevertheless, not all of them left. Immediately after the government had fallen, and with the Alianza's agreement, the Peronist majority at Congress appointed Rodríguez Saá as the new president. Rodríguez Saá appeared as the reincarnation of populist nationalism. He declared the default on the foreign debt, something acclaimed as a nationalist victory by those very same representatives that supported each of Menem's neoliberal policies. Yet, at the same time, Rodríguez Saá's populist rhetoric appeared to run too close to that of the unions. Furthermore, once the default had been declared, the time came to reproduce the national process of capital accumulation through new agreements with the IMF and a dramatic drop in real wages. Just one week later, the Justicialista Party withdrew support for Rodríguez Saá, while

his alliance with the union bureaucrats and the appointment of a former mayor of Buenos Aires City who was emblematic of political corruption were enough to warrant another *cacerolazo*. Again, the petty bourgeoisie and the skilled working class banged their pots and pans. Rodríguez Saá was forced to abandon office. The Congress appointed Duhalde as president – the same man in command of the Peronist apparatus in the Greater Buenos Aires region – a group, let us not forget, which had been quite active in the looting.

With the default already declared and the devaluation of the peso as an unavoidable condition for the banking system to start operating again after more than fifteen days, Duhalde was ready to devalue and to relaunch negotiations with the IMF. Thus, the declaration of default, the drop in real wages and the further contraction of the economy, had developed their political form. By May 2002, real industrial wages had fallen by 24%.⁴⁰ The national rates of unemployment and underemployment soared to 21.5% and 18.6%, respectively.⁴¹ However, the CGT and the MTA supported the government and remained inactive. The CTA carried out protests but with no practical results. For the second quarter of 2002, the GDP had fallen by 13.5% compared to the year before.⁴² The situation in the City of Buenos Aires had become significantly worse:

Table 2
Unemployment and poverty in the Greater Buenos Aires,
May 2002⁴³

	Population (millions)	% of the economically active population		% of total population below the line of:	
		Unemployed	Under employed	Poverty	Extreme poverty
City of Buenos Aires	3.0	16.3	15.6	19.8	6.3
First Belt of the Great Buenos Aires	3.0	21.9	18.3	41.5	16.8
Second Belt of the Great Buenos Aires	6.7	25.6	21.9	66.6	33.2

⁴⁰ See INDEC 2002.

⁴¹ Based on Ministerio de Economía.

⁴² Dirección Nacional de Cuentas Nacionales, Ministerio de Economía.

⁴³ Source: 'Encuesta Permanente de Hogares', Instituto Nacional de Estadística y Censos (INDEC). See INDEC 2002.

Nevertheless, no more looting occurred. The national process of capital accumulation had reproduced itself once again upon its specific base.

What crisis of political representation?

The specific modality of capital accumulation in Argentina could only be reproduced through a profound crisis, a kind of crisis which would take concrete shape as a legitimacy crisis of formal political representation.

In the capitalist mode of production, the general social relation – social power – exists as a thing carried in one's pocket (that is, money).⁴⁴ On this basis, political corruption is inherent to capitalist accumulation. But, when accumulation is specifically based on the appropriation of ground rent through the political mediation of the state for the benefit of capitals operating on restricted scales, political corruption is placed at its very core. Moreover, the exhibition of illegally obtained wealth becomes a demonstration of social power. The more the national process of capital accumulation clashes against its specific limit, the more crucial the role played by the shameless exercise of corrupt political representation becomes.

The legitimacy crisis of political representation did not emerge from the public discovery of the specific limits inherent to the national process of capital accumulation. On the contrary, it emerged from the apparent non-existence of such specific limits, whereby the economic crisis resulted from the inability of political representatives to reproduce the former situation of the petty bourgeoisie and the working class. In turn, their ineffectiveness was attributed to their systematic plundering of social wealth to the benefit of more concentrated capitals as well as themselves.

In brief, the crisis of political representation did not entail any greater levels of awareness than the demand for the reproduction of the specificity of the Argentine economy but without the inescapable consequences of such reproduction. The impotence expressed by this demand was the real essence contained in 'out with them all' as the key proposal for political action to face the crisis.

The abyss that lies between the appearance and the content of 'all of them must go!' questions Dinerstein's claim that:

⁴⁴ Marx 1993, p. 157.

¡Que se vayan todos! is qualitatively significant as it constitutes the initial 'adequate idea' that, as Deleuze suggests with reference to Spinoza, puts people 'in possession of their power of understanding, and so by our power of action'⁴⁵

On the contrary, based on the inability to discern beyond immediate appearances, *¡Qué se vayan todos!* actually reveals one's inability to seize power with one's own hands.

Realities of 'all of them must go!'

Dinerstein asserts that 'after December 2001 something (everything) has definitely changed' in Argentina.⁴⁶ Let us consider what she presents as the core manifestation of the new 'non-identity, horizontal, democratic and anti-institution politics and the reinvention of the political which began in December 2001'⁴⁷ able to overcome the capitalist mode of production: the neighbourhood assemblies.

By October 2002, 119 neighbourhood assemblies existed in the City of Buenos Aires and 62 in the Greater Buenos Aires region.⁴⁸ Therefore, each one corresponded to an average population of 25,000 and 156,000 respectively. At that time, the neighbourhood assemblies played a significant role in the rapid succession of governments that gave political shape to the reproduction of the national specificity of capital accumulation, each of them drawing several hundreds of people at best.⁴⁹ Nowadays, the few surviving assemblies congregate one or two dozen people, perhaps as many as thirty participants (many of whom are activists from the traditional left-wing parties). Nevertheless, when the time comes, the assemblies do not hesitate to speak in the name of the immense majority of their absent neighbours. The so-called 'inorganic horizontal organisation' has no other content than the absolute centralisation of the decision-making process by those who control the assemblies. Thus, while some assemblies voted to exclude anyone who was affiliated to a political party, others are directly controlled by this or that party.

⁴⁵ Dinerstein 2002, p. 32.

⁴⁶ Dinerstein 2002, p. 23.

⁴⁷ Dinerstein 2002, p. 26.

⁴⁸ Galvani, Levy and Gringauz 2002, p. 10.

⁴⁹ Only the meetings of the inter-neighbourhoods assemblies surpassed the thousand participants during their first few months of existence.

Some assemblies voted for resolutions against the IMF, the nationalisation of the privatised companies, but, in practical terms, their achievements come down to some minor urban improvements and cultural activities. They also provide some food and clothes to the impoverished. Clearly, these activities satisfy real needs, given the current situation, but they have nothing to do with the overthrow of the capitalist mode of production, however charitable they might be. Moreover, as soon as the same activities became systematic, they started to show all the marks of political clientelism and charitable relationships.

The roadblocks of the organised unemployed [*piqueteros*] were decisive for the implementation of extended unemployment subsidies, which reached almost two million people and have been effective since 2002. The killing of two of their activists by the police under Duhalde's administration forced him to bring the 2003 elections forward. Today, the *piqueteros* retain their capacity for mobilisation. Nevertheless, their power to transform the current social conditions has not gone beyond that immediately emerging from the reproduction of unemployment itself: the struggle for subsidies (which fall short of the limit of extreme poverty), community kitchens and orchards, complementary schooling, some very small-scale production, health care, and so on. Certainly, these actions are the concrete forms through which a part of the Argentine surplus population is still able to survive. At the same time, they place a barrier to further falls in the wages of the employed workers, which, in turn, means that they place a barrier on the possibility of capital accumulation further freeing itself from the need of technological development. However, there is an abyss between these potentialities and that needed to support the claim about a 'new identity' able to overcome the capitalist mode of production. Moreover, as Dinerstein herself points out, most of the unemployed organisations are related to traditional left-wing parties; for example, the Corriente Clasista y Combativa (Maoists), the Polo Obrero and the Movimiento Teresa Vive (Trotskyists), the Movimiento Territorial de Liberación (Communist Party) and the Barrios de Pie (left-wing populist nationalism). The Federación de Tierra y Vivienda, that claims to be the largest organisation, openly supports Kirchner's administration and its chief leader has been elected to Congress. The Movimiento de Trabajadores Desocupados Aníbal Verón, commonly taken as an example of the powers that emerge from political independence and horizontal organisation, has been plagued by internal power struggles and went through successive splits. Besides, the

piqueteros organisations are based on the management of the assistance plans for the unemployed, holding a total share of about seven per cent.⁵⁰ The rest of the plans are managed through structures of political clientelism. Under such conditions, clientelism permeates the *piqueteros* movement, a fact pointed out by the organisations themselves as they exchange accusations.

The barter clubs disappeared in the midst of the scandalous theft perpetrated against their members through the issue of token 'money'. In turn, as with any private capital, those factories turned into co-operatives by their workers can only survive if they are competitively successful. Within a national economy the scale of which is subject to contraction, successful competition means expelling other capital enterprises from production. Therefore, co-operative success means that other workers may lose the chance to sell their labour-power. Under capitalism, solidarity is merely the necessary concrete form taken by the basic social relation existing between the owners of commodities: competition. The illusions about market socialism could be nothing more than that: illusions to be swept away by the realities of the commodity-form.

Let us take another example: the Autodeterminación y Libertad party, which lays claim to horizontal organisation and anti-institutionalism, praises Negri and Holloway, and has '*¡qué se vayan todos!*' as its main slogan. Zamora, its leader, was one of the candidates with the highest voter-intention support (no more than 10–15%, however) for the 2003 presidential elections. The moment came to decide if he was to stand as a candidate. Since no formal organisational structure existed, everybody was free to present his or her point of view; but the final decision remained the undisputed privilege of the leader. Zamora chose to abstain. Those in Autodeterminación y Libertad who were for taking part in the election were left with no opportunity to do so: such a horizontal movement had one, and only one, popular figurehead: Zamora. Only alienated consciousness fits with the capitalist mode of production, and the more it attempts to present itself as abstractly free, the more alienated it becomes.

Let us now take a look at the other face of the powers inherent in *¡qué se vayan todos!* Santiago del Estero is one of Argentina's poorest provinces. In 1995, a local popular protest, the *Santiagazo*, made it into the history books for two reasons. On the one hand, it was the first widespread revolt against the consequences of Menem's neoliberal policies and political corruption.

⁵⁰ Calvo and Guagnini 2004, p. 28.

On the other, the protesters set fire to the house of the former governor Juárez. Juárez was the almighty leader of local Peronism and a symbol of authoritarianism and corruption. In September 2002, Juárez imposed his political heir as governor and his wife as vice-governor with 68% of the votes,⁵¹ presenting this victory as proof that in fact the popular will was 'all of them must stay!'.⁵²

Both in 1989 and 1995, Menem was elected president by 50% of the votes. The first time, he won with a populist discourse and only afterwards did he practise neoliberal policies. The second time, he won with his well-known neoliberal precedents and discourse. In the 2003 presidential elections, Menem won the first round. During his campaign, he had reasserted his neoliberal discourse and advocated army intervention to quell social unrest. Subsequently, he withdrew from the second round as it was evident that he was going to be defeated by Nestor Kirchner, a more 'traditional' populist Peronist supported by Duhalde. Kirchner has been the Peronist governor of Santa Cruz Province since 1991. What form of capital accumulation does he represent? After the acute contraction of the national process of capital accumulation in 2002, the new phase of expansion without the possibility of receiving fresh funds from foreign creditors is taking a renewed populist shape: the assertion of national sovereignty, a discount on the defaulted foreign debt, import substitution, widespread support for the indigent unemployed, and the like. Of course, the real basis for this lies, firstly, in the further fall of wages below the value of labour-power and, secondly, in a fortunate rise of agricultural and oil ground rent.

The Argentine economy has surged forwards on this renewed basis, growing almost 9% in physical terms both in 2003 and 2004. In so doing, GDP has returned to the level it was in 1999, which was by no means a glorious year but the starting point of the previous contraction and crisis. Yet, Kirchner enjoys high rates of popularity after a year and a half in office.⁵³ Now, Kirchner has asked the Peronist unions to take to the streets in order to stop the more combative *piqueteros*.

⁵¹ *Clarín* 2002a, p. 10.

⁵² Braslavski 2002, p. 18.

⁵³ By January 2005 he had a 78% of positive image, according to the Centro de Estudios de Opinión Pública (CEOP), while his administration had a 64% of positive image, according to the same source, and a 51% according to Universidad Torcuato Di Tella/Catterberg y Asociados. See *Clarín* 2005, p. 12, and *La Nación* 2005, p. 6.

The 'progressive' alternative who had a chance for electoral success in 2003 was Elisa Carrió, from the ARI. She is a Catholic fundamentalist who broke off her alliance with the Socialist Party as soon as they proposed the – extremely limited – framework for the legalisation of abortion. Notwithstanding, she finished fourth in the first round, behind her ultra-neoliberal former party colleague López Murphy.

Dinerstein presents spoiled ballots as yet another manifestation of a supposedly popular advance beyond representative democracy.⁵⁴ Spoiled ballots fell from their 20% peak in the 2001 elections, to 1.6% in 2003 elections. Meanwhile, electoral absenteeism only rose 2.5% between the 1999 and 2003 presidential elections.⁵⁵ It has become commonplace to pinpoint electoral absenteeism and spoiled ballots as a means of protest against the lack of legitimate political representation [*voto bronca*]. But it includes a high component of political impotence rather than active protest and, even, of political indifference. Besides, a part of the vote that repudiates political representation points in an opposite direction to pro-democratisation illusions.⁵⁶ The point is not about an abstract 'against power' but about a concrete 'for whose power'.

It is clear that, since December 2001, many things have changed in Argentina. But these changes express the reproduction of the national process of capital accumulation in its specific form. This means that they express the specific limits to the latter process and the widespread transformation of the Argentine working class into a labouring surplus-population for capital. Essentially, everything has changed so that everything can remain the same.

Capital

Thus far, it could seem that the very different conclusions to which Dinerstein and I arrive emerge from our differing approaches to Argentine capital accumulation. Nevertheless, our differences have much deeper roots, resulting from looking at capital itself from contrasting points of view.

Dinerstein supports a theory that is currently much in vogue among many critics of capitalism. This theory asserts that the capitalist mode of production still exists because it is able to impose a social relation of domination over

⁵⁴ Dinerstein 2002, p. 25.

⁵⁵ Calvo 2003, p. 12. Voting is legally compulsory for all citizens in Argentina.

⁵⁶ 'Anger voting . . . is more observed among the upper class and the upper middle class.' Ricardo Rouvier & Asociados, in *Clarín* 2002b, p. 8.

social subjects, forcing them to reproduce their lives through the mediation of abstract labour:

Capital is not an external force but a social relation, which can only be maintained by forcing human practice to exist and be recognised through abstract labour (i.e., money).⁵⁷

Thus, capital is not recognised as the general social relation that determines the social being of social subjects by itself. It is seen as a social relation imposed on a social being of the social subjects that stands beyond capital. Does it stand on an abstract 'human nature', perhaps?

From this point of view, the state and the law represent several forms of this imposition:

As the most abstract form of capital, money, like the state and the law, mediates the creation of determinate social subjects (e.g., the unemployed, the poor, a citizen with savings in a bank account).⁵⁸

Thus, capital's actual reason for existence is brought down to the mediation of the 'logic' that capital forces upon a supposed abstractly free determination of social subjects. In this line, any confrontation with established power appears as carrying within itself the self-affirmation of an abstractly free subjectivity over the subordination to capitalist mediation:

The insurrection was experienced primarily as a moment of self-possession, a moment in which fear and frustration were transformed into a collective action against power. . . . The popular insurrection of December 2001 is better understood as a human limit on the violence of capitalist anarchy in Argentina. . . . The power affirmed in December 2001 in the streets of Buenos Aires was, in fact, a negative power. The mobilising force of the insurrection was not the identity or the organisation that people join or the type of demands they put forwards, but what I would like to call the *unrealised*. The unrealised is *what we are not*. It is critique. It consists of a universe of needs, ideas, practices, experiences, desires, frustrations, dreams that were postponed and repressed. The unrealised is the undefined, that which cannot be, or exist, or be done or accomplished, that which cannot be developed or realised, that which cannot be explained but felt . . .⁵⁹

⁵⁷ Dinerstein 2002, p. 25.

⁵⁸ *Ibid.*

⁵⁹ Dinerstein 2002, pp. 23–4.

In this manner:

The streets have become the place for both the rejection of the subordination of social reproduction to the logic of capital and the reinvention of politics.⁶⁰

However, it is worth querying the precise nature of the 'reinvention of politics' that Dinerstein offers us. It is one in which the 'power of understanding' has collapsed into 'that which cannot be explained but felt'. Rationality has given way to the exaltation of irrationality. Every revolutionary determination of the working class has come down to Holloway's 'scream'.⁶¹

A world made of 'that which cannot be, or exist, or be done or accomplished, that which cannot be developed or realised' is a world made of many ideal constructions: chimeras, utopias, faith. But scientific consciousness has no place in it. Science only deals with real concrete existence, in its unity both as an actuality and as a potentiality.

Marx discovered that the capitalist mode of production embodies the necessity to supersede itself into a society of freely – that is, consciously – associated individuals. He discovered that the conscious revolutionary action of the working class is the necessary concrete form of this overcoming. Since then, capitalist ideology has placed objective rationality under constant attack. Of course, philosophy is the natural field to cultivate irrationality. But epistemology has developed into an autonomous field based on the assertion that scientific knowledge necessarily stops at appearances. Thus, the idea that objective knowledge is just another way of interpreting the world has acquired the strength of a prejudice.⁶²

Shaped as a utopian critique of capitalism, Dinerstein presents us with yet another fashionable attempt to excise working-class revolutionary action from its necessary base in objective knowledge.

In the world of the 'unrealised', desires, ideas, dreams and other ghosts emerging from some abstract human spirit reign over the social being of the working class.⁶³ Let us return from such a fantastic world to the concrete realisation of this social being. Let us look, thus, at the economic formation

⁶⁰ Dinerstein 2002, p. 31.

⁶¹ Holloway 2002a, p. 1.

⁶² Iñigo Carrera 2003, pp. 211–23.

⁶³ Actually, this abstract human spirit reflects the appearance that emerges from circulation. In circulation, alienated consciousness presents itself under the shape of its opposite, free consciousness. That is why ideology always sticks to this appearance.

of society as a process of natural history.⁶⁴ Human natural history is the history of the transformation of the material conditions of social life through labour. The development of the human being as a historical subject is but the development of the human capacity to act in a conscious and voluntary way upon the rest of nature, in order to transform it into a means for human life. In other words, the development of the human being as a historical subject is the development of the human condition as the subject of production, in other words, of human productive subjectivity. This development is the only materialistic concrete starting point, and therefore the only scientific one⁶⁵ in order to produce consciousness concerning any historical process.

The capitalist mode of production begins by dissolving all general direct organisation of social labour based on relations of personal dependence, thus turning producers into free individuals. In this way, it gives each concrete portion of social labour the specific form of private labour performed independently from the rest. Then, total social labour-power is allocated into its useful concrete forms through an autonomous system. As it is performed in a private and independent way,⁶⁶ the abstract socially necessary labour – a simple productive expenditure of the human body in whatever concrete form it is made⁶⁷ and, as such, a natural condition for human life, independent of the social modality it is ruled by⁶⁸ – acquires an historically specific social form. After it has been materialised in its products, it appears represented as the aptitude of these products to relate to each other in exchange, thus placing their private and independent producers into a social relation.⁶⁹ In other words, materialised privately-performed socially necessary abstract labour is represented as the value that determines use-values as commodities.⁷⁰

Since they need to produce their general social relation through material production, the free individual consciousness and will of the producers that privately and independently organise their social labour are both subject to a historically specific determination. They must submit themselves to the necessities imposed on them by the value-form of their own material product. They must act as personifications of their commodity; they must produce

⁶⁴ Marx 1965, p. 10.

⁶⁵ Marx 1965, p. 373.

⁶⁶ Marx 1965, p. 42.

⁶⁷ Marx 1965, pp. 38, 44 and 46.

⁶⁸ Marx 1965, p. 71.

⁶⁹ Marx 1965, pp. 72–4.

⁷⁰ Marx 1965, p. 38.

value come what may, as a matter of life or death. Commodity producers are free from any personal servitude because they are the servants of the social powers of their products. While the will of the producers completely dominates the private and independent exercise of individual labour, these same producers are in turn completely subordinated to the social powers of the material product of that self same labour. From the point of view of the participation of private and independent producers in social labour, their consciousness and will matter only inasmuch as these personify the powers of their commodities. The productive power of their social labour confronts the producers themselves as an alienated power, as a power incarnated in their commodities. The free consciousness and will of commodity producers is the concrete form in which their alienated consciousness and will exist.

Therefore, social production is not immediately aimed at producing use-values, but at producing the general social relation itself, that is, value. And the production of value reaches its complete development as a production of value starting from substantive value itself, in other words, the production of surplus-value. The material product of social labour that bears the general social relation thus becomes itself the subject of social production and consumption, namely, capital.

As free independent individuals, wage-labourers enter their general social relation as personifications of their only sellable commodity, their labour-power. Hence, the working class has nowhere from which to obtain any historically specific revolutionary powers other than those it gets from its own general social relation, namely, the production of surplus-value. Strictly considered, the history of the production of surplus-value is nothing but the history of the production of the material revolutionary powers of the working class and, therefore, of its revolutionary consciousness and will.⁷¹

Nevertheless, it is not just about the development of the formal subsumption of labour to capital, as it could appear when the determinations of class struggle are inverted. Through the production of relative surplus labour, labour becomes really subsumed in capital.⁷² Even in the very process of individual consumption and in their determination as a working class, the

⁷¹ 'It is not a question of what this or that proletariat, or even the whole proletariat, at the moment *regards* as its aim. It is a question of *what the proletariat is*, and what, in accordance with this *being*, it will historically be compelled to do'. Marx 1975, p. 37.

⁷² Marx 1965, pp. 509–10.

workers become an attribute of capital.⁷³ Thus, capital produces and reproduces them as human beings, that is, as bearers of consciousness.⁷⁴ This happens to the point that capital even rules the laws of their biological reproduction.⁷⁵ In the circulation of commodities, the consciousness of the labourers appears as free. However, the consciousness and will of the labourers are actually determined as the necessary concrete forms taken by the alienation of labour's powers as capital's powers, namely, their own objectified general social relation that has become the alienated concrete subject of social life.

In pursuit of relative surplus-value, capital constantly revolutionises the material conditions of production. So much so that, in developing the machinery-system, it revolutionises the very nature of labour. Essentially, labour ceases to consist of the exertion of human labour-power upon its object in order to effect its transformation. In contrast, it centres on the application of human labour-power to the scientific control of natural forces and to the objectification of this control as an attribute of machinery, so as to make those natural forces act automatically upon the object in order to transform it.⁷⁶ Consequently, commodity producers are collective individuals – formed by doubly-free workers, both in the sense of not being submitted to anyone's personal domination and of being separated from the means of production needed to produce their life on their own account – that perform their labours in a private and independent way. As independent private producers, these collective producers possess complete dominion over their individual labour processes, but lack all control over the latter's general social character. Therefore, they must submit their consciousness and will as collectives formed by free individuals to the dominion of the social powers of the material product of their labours, capital: they must produce surplus-value. The free consciousness and will of the members of the collective labourers are the concrete forms of their consciousness alienated in capital.⁷⁷

The transformation of labour and of commodity producers makes evident the historical reason for the existence of the capitalist mode of production: the transformation of the productive powers of free individual labour into the productive powers of collective labour consciously organised by the

⁷³ Marx 1965, p. 573.

⁷⁴ Marx 1965, p. 578.

⁷⁵ Marx 1965, p. 643.

⁷⁶ Iñigo Carrera 2003, p. 11.

⁷⁷ Iñigo Carrera 2003, p. 13.

same collective labourer that performs it, under the contradictory form of the socialisation of private labour.⁷⁸ This contradictory socialisation necessarily takes on a concrete form through the centralisation of capital. The revolutionary action of the working class is the necessary concrete form in which the above-mentioned constant revolution in the materiality of labour – which, at the same time, entails their direct socialisation – develops its need to be organised as a directly social power that transcends the limits of its private capitalist form. Therefore, this revolutionary action is the necessary concrete form in which the capitalist mode of production fulfills its historical necessity to supersede itself through its own development, thus engendering the general conscious organisation of social life.

This process does not flow through the abstract possibility of the working class turning its back on its own social being and the revolutionary powers it bears, in the name of the abstract freedom inherent to circulation. On the contrary, it flows through the working class taking its alienated general social relation into its own hands, in other words, appropriating social capital. This appropriation implies the centralisation of capital as state property⁷⁹ and obviously points towards the absolute socialisation of private labour through the formation of a global state.

The currently fashionable ideological rejection of seizing state power, that is, of seizing the power of the general political representatives of social capital, does not express the power of a social movement in order to overthrow capitalism. On the contrary, it expresses its *impotence* to do so.⁸⁰ The centralisation of capital through the political action of the working class is certainly not the path of carnivals and ‘explosions of the principle of pleasure’ offered by Holloway.⁸¹ Likewise, it is not the path of innocence, simplicity and love offered by Hardt and Negri.⁸² In contrast, as it is inherent to the development of human freedom through the development of alienation, it is a path that runs through the gamut of misery, suffering and bloodshed that capital imposes on the working class. Yet, it is the only path opened for the working class to overcome itself by superseding the capitalist mode of production.

⁷⁸ Iñigo Carrera 2003, p. 28.

⁷⁹ Marx and Engels 1976, p. 504.

⁸⁰ Iñigo Carrera 2003, pp. 103–4.

⁸¹ Holloway 2002a, p. 215.

⁸² Hardt and Negri 2000, p. 413.

The historical powers of the Argentine working class

Contrary to the generic historical power of the capitalist mode of production, capital accumulation in Argentina has developed on the basis of the absence of capital concentrated on a scale necessary to partake actively in the development of society's productive forces. Argentina has received an extraordinary influx of social wealth in the form of differential agricultural ground rent. Still, instead of transforming this mass of wealth into capital concentrated on a scale able to develop the productive forces, Argentine capitalism has spoiled it by feeding capitals whose mere existence comprises a retreat from that development. In the first place, it has fed small capitals that are incapable of stimulating normal levels of labour productivity owing to their restricted scale. Secondly, it has fed capitals bearing a normal global scale but that fragment themselves as small capitals for the purposes of operating in Argentina. Thus, they have freed these capitals from the inherent necessity to develop labour productivity in order to valorise themselves. Therefore, such spoilage of social wealth has meant in itself a retreat from the historical development of society's productive forces inherent to the capitalist mode of production.

The Argentine working class emerged from the specific national form taken by capital accumulation. Hence, the reproduction of this specific form has been a condition for its reproduction as an actively employed working class that is able to maintain its labour-power. This subjection has hindered the Argentine working class from assuming the process of transforming ground rent into concentrated capital. Thus, the specific form taken by capital accumulation in Argentina has not only deprived the national working class of its generic historical powers as the direct personification of the development of society's productive forces; it has, at the same time, closed the concrete path opened to the national working class in order to overcome that deprivation.

The mutilation suffered by the historical powers of the Argentine working class is immediately reflected in the leading role played by the unions within its political organisation. The fulfilment by the working class of its generic powers would have demanded independent political action. That is to say, an action able to impose itself over and above the conditions corresponding to the immediate reproduction of labour-power and, hence, over and above trade-union action. Conversely, the sterilisation of those generic powers has taken concrete shape through the subordination of the independent political

action of the working class to its immediate reproduction under the specific form of the national process of capital accumulation. In other words, it has subordinated working class political action to trade-union action.

Nevertheless, the historical powers of capital accumulation provide the Argentine working class with a specific possibility to reverse the present state of affairs, thereby halting its accelerated transition into the labouring surplus population. It is a question of the Argentine working class consciously regaining its generic historical powers by personifying the development of the material productive forces of society. This is not an abstract potentiality, let alone one that arises from the abstract consciousness of the working class. On the contrary, it arises from the consciousness of the Argentine working class being determined as an attribute of capital. Concretely, it is about overcoming the strength that Argentine capital accumulation obtains from freeing itself of its historical role in the development of society's productive forces. It is to be achieved by imposing upon it the overwhelming strength that capital accumulation gains from accomplishing its historical role. A strength that, in the Argentine case, becomes specifically stressed by the magnitude of the extraordinary influx of surplus-value through differential agricultural and energy-sources' ground rent.

The transformation of ground rent into capital able to actively participate in the development of productive forces by acting as a normal productive capital located in Argentina, requires its concentration on a scale necessary in order to compete on the world market. In turn, achieving this scale demands nothing less than the centralisation of capital as a direct social property within Argentina. Therefore, the transformation in question could only take the concrete political form of the abolition of the capitalist and landowner classes within the country. In other words, it could only be performed through a social revolution in which the working class, whose surplus labour would feed the concentrated capital, transforms itself into the collective owner of this capital under the political form of state capital.

By reproducing its specific form, the national process of capital accumulation reproduces only a diminishing part of the Argentine working class as an actively employed working class that is able to reproduce its labour-power. Nowadays, the transformation of ground rent into concentrated capital has become an immediate condition for regaining the normal reproduction of the Argentine working class. Thus, its independent political action has developed a new basis in order to impose itself on union action.

If even the thus-concentrated capital were unable to reach the scale needed to compete on the world market, only one further alternative would remain for the Argentine working class to take part actively in the development of the material productive forces of society. Namely, to integrate its immediate political action with that of the working classes of neighbouring countries in order to form an expanded domestic space for capital accumulation within which the centralisation in question could fit.

Only when the Argentine working class starts to move in these directions will it be truly possible to claim that everything has changed in Argentina.

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